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OFFICIAL STATEMENT



Redevelopment Agency of  
The City of San Jose,  
Santa Clara County, California

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\$9,650,000

Park Center

Redevelopment Project

1977 Tax Allocation Bonds

Bids to be received by the Redevelopment Agency at the  
Office of the City Clerk, City Hall, 801 North First Street,  
San Jose, California 95110, at 11:00 A.M.,  
Thursday, March 17, 1977.

[Stone + Youngberg ...]  
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Investments Public secur.  
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**OFFICIAL NOTICE OF SALE**  
**\$9,650,000**  
**REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE**  
**PARK CENTER REDEVELOPMENT PROJECT**  
**1977 TAX ALLOCATION BONDS**

NOTICE IS HEREBY GIVEN that sealed proposals will be received by the Redevelopment Agency of the City of San Jose (the "Agency") office of the City Clerk, City Hall at 801 North First Street, San Jose, California 95110, on

**THURSDAY, MARCH 17, 1977**

at 11:00 A.M. for the purchase of \$9,650,000 principal amount of bonds of the Agency designated the "Redevelopment Agency of the City of San Jose Park Center Redevelopment Project 1977 Tax Allocation Bonds" (the "bonds"), authorized to be issued under the provisions of a resolution of the Agency adopted on February 17, 1977 (the "Resolution") and pursuant to the Community Redevelopment Law of the State of California (being Part 1 of Division 24 of the Health and Safety Code of the State of California). The bonds are more particularly described in the Resolution (which is incorporated herein by reference) and copies thereof will be furnished to any interested bidder upon request. The bonds are generally described as follows:

**ISSUE:** \$9,650,000 consisting of 1,930 coupon bonds of the denomination of \$5,000 each (or fully registered bonds in denominations of \$5,000 or multiples thereof), all dated April 1, 1977. The bonds are part of an issue not limited in aggregate principal amount authorized by the Resolution and the bonds of one or more additional series of said issue may be issued pursuant to the Resolution, but only subject to the limitations and conditions set forth in the Resolution.

**INTEREST RATE:** The maximum rate bid may not exceed eight per cent (8%) per annum. Interest is payable on April 1, 1978, semi-annually on April 1 and October 1 of each year. Bidders must specify the rate or rates of interest which the bonds hereby offered for sale shall bear. Bidders will be permitted to bid different rates of interest; but (i) the maximum differential between the highest and lowest coupon rates specified in any bid shall not exceed two per cent per annum; (ii) each interest rate specified in any bid must be in a multiple of one-twentieth of one per cent per annum and a zero rate of interest cannot be specified; (iii) no bond shall bear more than one rate of interest, no interest payment shall be evidenced by more than one coupon and supplemental coupons will not be permitted; (iv) each bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; (v) all bonds maturing at any one time shall bear the same rate of interest; and (vi) any premium must be paid as part of the purchase price, and no bid will be accepted which contemplates the cancellation of any interest coupons, or the waiver of any interest or other concession by the bidder as a substitute for payment in full of the purchase price.

**MAXIMUM DISCOUNT:** The maximum discount permitted in any bid is three per cent (3%) of the par value of the bonds. See below under heading "Terms of Sale".

**MATURITIES:** The bonds will mature on April 1 in each of the years, and in the amounts, as follows:

| Maturity Date | Principal Amount | Maturity Date | Principal Amount |
|---------------|------------------|---------------|------------------|
| April 1       |                  | April 1       |                  |
| 1979 .....    | \$140,000        | 1992 .....    | \$370,000        |
| 1980 .....    | 155,000          | 1993 .....    | 395,000          |
| 1981 .....    | 170,000          | 1994 .....    | 425,000          |
| 1982 .....    | 185,000          | 1995 .....    | 450,000          |
| 1983 .....    | 205,000          | 1996 .....    | 485,000          |
| 1984 .....    | 220,000          | 1997 .....    | 515,000          |
| 1985 .....    | 235,000          | 1998 .....    | 550,000          |
| 1986 .....    | 250,000          | 1999 .....    | 590,000          |
| 1987 .....    | 265,000          | 2000 .....    | 630,000          |
| 1988 .....    | 285,000          | 2001 .....    | 670,000          |
| 1989 .....    | 305,000          | 2002 .....    | 715,000          |
| 1990 .....    | 325,000          | 2003 .....    | 765,000          |
| 1991 .....    | 350,000          |               |                  |

**REDEMPTION:** Bonds maturing on or before April 1, 1992, shall not be subject to redemption before their respective stated maturities. Bonds maturing on or after April, 1993, shall be subject to redemption prior to their respective stated maturities at the option of the Agency, from any source of available funds, as a whole or in part in inverse order of maturity and by lot within a maturity, on any interest payment date on or after April 1, 1992, at the following redemption prices (computed upon the principal amount of bonds called

for redemption) together with accrued interest to the date of redemption:

- 102¾ % if redeemed on or after April 1, 1992, and before April 1, 1993;
- 102½ % if redeemed on or after April 1, 1993, and before April 1, 1994;
- 102¼ % if redeemed on or after April 1, 1994, and before April 1, 1995;
- 102 % if redeemed on or after April 1, 1995, and before April 1, 1996;
- 101¾ % if redeemed on or after April 1, 1996, and before April 1, 1997;
- 101½ % if redeemed on or after April 1, 1997, and before April 1, 1998;
- 101¼ % if redeemed on or after April 1, 1998, and before April 1, 1999;
- 101 % if redeemed on or after April 1, 1999, and before April 1, 2000;
- 100¾ % if redeemed on or after April 1, 2000, and before April 1, 2001;
- 100½ % if redeemed on or after April 1, 2001, and before April 1, 2002;
- 100¼ % if redeemed on or after April 1, 2002, and before April 1, 2003.

**PAYMENT:** Both principal and interest are payable in lawful money of the United States of America at the principal office of the Fiscal Agent, Bank of America National Trust and Savings Association, in San Francisco, California, or, in the case of coupon bonds, at the option of the holder, at the principal offices of the paying agents of the Agency, Bankers Trust Company in New York, New York and The First National Bank of Chicago in Chicago, Illinois.

**REGISTRATION:** The bonds may be issued in coupon form or in fully registered form, and will be interchangeable upon the terms set forth in the Resolution.

**PURPOSE:** The bonds are being issued by the Agency to aid in financing and refinancing a community redevelopment project in the City of San Jose.

**SECURITY:** The bonds (together with bonds of any additional series issued under and subject to the conditions of the Resolution) are payable solely from and are secured by a first and exclusive pledge of the Tax Revenues (as defined in the Resolution) and the Reserve Account and the other accounts established by the Resolution. The bonds are not obligations of the City of San Jose. The Agency has no direct power of taxation and cannot control the rate of taxation imposed by taxing agencies upon property in the project area. Bidders should be aware that there has been legislation limiting tax rates adopted by the California State Legislature and measures submitted to the voters which might have the effect of reducing the amount of tax allocations that would otherwise be available for the payment of the bonds. Any provision of additional sources of income to taxing agencies having the effect of reducing the property tax rate must necessarily reduce the amount of tax allocations that would otherwise be available to pay the principal of and interest on the bonds. Likewise, broadened property tax exemptions or any additional limitation on the rate of taxation by taxing agencies could have a similar effect. In a 1974 decision, which was affirmed



by the California Supreme Court on December 30, 1976 (*Serrano v. Priest*, ... Cal.3d ...) the Superior Court of California for the County of Los Angeles held the California system of financing public elementary and secondary schools, based on ad valorem property taxation, invalid under the California Constitution. The Superior Court judgment provides that the existing system of financing schools shall continue to operate for a reasonable length of time (not to exceed six years) so that a constitutional system can be placed into operation. To the extent that this decision, and any future legislative or judicial action required to implement or enforce that decision, may limit the ability of school districts to continue to levy ad valorem property taxes for the support of education, tax revenues will be reduced, adversely affecting the security of the bonds. At present, the possible effect on the taxing power of any given school district cannot be foreseen. Bidders are referred to the Resolution and to the Official Statement for further particulars.

**FISCAL AGENT:** Bank of America National Trust and Savings Association, San Francisco, California, has been appointed Fiscal Agent for the payment of principal and interest and for the exchange of the bonds, and will hold in trust the Escrow Fund, the Redevelopment Fund, the Special Fund, the Interest Account, the Principal Account, and the Reserve Account established by the Resolution.

**TAX EXEMPT STATUS:** In the event that prior to the delivery of the bonds (a) the income received by private holders from bonds of the same type and character shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by the terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is adopted which will have a substantial adverse tax effect upon holders of the bonds as such, the successful bidder may, at his option, prior to the tender of said bonds by the Agency, be relieved of his obligation under the contract to purchase the bonds, and in such case the deposit accompanying his bid will be returned.

**LEGAL OPINION:** The legal opinion of Orrick, Herrington, Rowley & Sutcliffe, of San Francisco, California, approving the validity of the bonds, will be furnished to the successful bidder, without charge. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each bond without charge to the purchaser.

#### TERMS OF SALE

**Highest Bid:** The Bonds will be awarded to the highest bidder considering the interest rate or rates specified and the premium offered, or discount bid, if any. The highest bid will be determined by deducting the amount of the premium bid (if any) from, or by adding the amount of the discount bid (if any) to, the total amount of interest which the Agency would be required to pay from the date of the bonds to their respective maturity dates at the coupon rate or rates specified in the bid, and the award will be made on the basis of the lowest net interest cost to the Agency. The purchaser must pay accrued interest from the date of the bonds to the date of delivery. All interest will be computed on a 360-day year basis. The cost of printing the bonds will be borne by the Agency.

**Right of Rejection:** The Agency reserves the right, in its discretion, to reject any and all bids and to waive any irregularity or informality in any bid.

**Prompt Award:** Subject to the above conditions of sale, the Agency will take action awarding the bonds or rejecting all bids not later than 26 hours after the expiration of the time herein prescribed for the receipt of proposals, unless such time of award is waived by the successful bidder. Notice of the award will be given promptly to the successful bidder.

**Delivery and Payment:** Delivery of the bonds will be made to the successful bidder at the principal office of the Fiscal Agent in San Francisco, California, as soon as the bonds can be prepared, which the Agency estimates will be within 30 days from the date of sale. Payment for the bonds must be made in funds immediately available to the Agency in San Francisco, California. Any expense of providing immediate San Francisco funds, whether by transfer of Federal Reserve Bank funds or otherwise, shall be borne by the purchaser.

**Right of Cancellation:** The successful bidder shall have the right, at his option, to cancel the contract of purchase if the Agency shall fail to execute the bonds and tender the same for

delivery within 60 days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying his bid.

**Form of Bid:** All bids must be for not less than all of the bonds hereby offered for sale and accrued interest to date of delivery, plus such premium or less such discount as is specified in the bid; provided that the amount of discount specified in any bid shall not exceed 3% of the par value of the principal amount of the bonds. Each bid, together with bidder's check, must be enclosed in a sealed envelope addressed to the Redevelopment Agency of the City of San Jose at the address above mentioned with the envelope and bid clearly marked "Proposal for Purchase of Redevelopment Agency of the City of San Jose Park Center Redevelopment Project 1977 Tax Allocation Bonds." Each bid must be in accordance with the terms and conditions set forth in this notice.

**Bid Check:** A certified or cashier's check drawn on a bank or trust company having an office in San Francisco, California, in the amount of \$100,000 payable to the order of the Agency, must accompany each proposal as a guaranty that the bidder, if successful, will accept and pay for the bonds in accordance with the terms of his bid. The check accompanying any accepted proposal shall be applied on the purchase price. The check shall be cashed and the amount thereof retained by the Agency if after the award of the bonds the successful bidder fails to complete his purchase on the terms stated in his proposal. The check accompanying each unaccepted proposal will be returned promptly. No interest will be paid upon the deposit made by any bidder.

**Statement of Net Interest Cost.** Each bidder is requested, but not required, to state in his bid the total net interest cost in dollars to the Agency and the percentage net interest cost determined thereby, which shall be considered as informative only and not binding on either the bidder or the Agency.

**No Litigation:** There is no litigation pending concerning the validity of the bonds, the existence of the Agency or the title of the officers thereof to their respective offices, and the Agency will furnish to the successful bidder a no-litigation certificate certifying to the foregoing as of and at the time of the delivery of the bonds.

**Certificate Concerning Official Statement:** At the time of payment for and delivery of the Bonds, the Agency will furnish the successful bidder a certificate, signed by appropriate officers of the Agency, acting in their official capacity, to the effect that to the best of their knowledge and belief, and after reasonable investigation, (a) neither the official statement nor any amendment or supplement thereto contains any untrue statement of a material fact nor omits to state any fact necessary to make the statements therein, in light of the circumstances in which they were made not misleading; (b) since the date of the official statement no event has occurred which should have been set forth in an amendment or supplement to the official statement which has not been set forth in such an amendment or supplement; nor (c) has there been any material adverse change in the operation or financial affairs of the Agency or city since the date of such official statement.

**CUSIP Numbers:** It is anticipated that CUSIP identification numbers will be printed on said bonds but neither the failure to print such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for said bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on said bonds shall be paid for by the issuer; provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

**Official Statement:** The Agency has adopted an official statement relating to the bonds, a copy of which will be furnished upon request to Stone & Youngberg Municipal Financing Consultants, 1 California Street, Suite 2750, San Francisco, California 94111, 415-989-2300. The Agency will furnish 500 copies of the official statement to the successful bidder without charge.

Dated: February 17, 1977.

TED TEDESCO

Executive Director of the Redevelopment Agency  
of the City of San Jose



**REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE**  
**Santa Clara County, California**

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**CITY COUNCIL AND MEMBERS OF THE AGENCY**

Janet Gray Hayes, *Mayor and Chairperson of the Agency*

Susanne B. Wilson, *Vice-Mayor and  
Vice-Chairperson of the Agency*

Lawrence Pegram

Joseph A. Colla

David W. Runyon

Alfredo Garza, Jr.

James E. Self

Ted Tedesco, *Executive Director of the Agency and City Manager*

Wylie, Leahy, Blunt & McBride, *Agency Counsel*

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Pat A. Forst, *Administrative Assistant*

Peter Stone, *City Attorney*

Kent South, *Director of Finance*

Francis L. Greiner, *City Clerk*

John W. Hamilton, *Director of Planning*

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**SPECIAL SERVICES**

Orrick, Herrington, Rowley & Sutcliffe, *San Francisco*  
*Bond Counsel*

Stone & Youngberg Municipal Financing Consultants, Inc., *San Francisco*  
*Financing Consultants*

Bank of America N.T. & S.A., *San Francisco*  
*Fiscal Agent and Paying Agent*

Bankers Trust Company, *New York City*  
The First National Bank of Chicago, *Chicago*  
*Paying Agents*

**THE DATE OF THIS OFFICIAL STATEMENT IS FEBRUARY 17, 1977**





801 N. FIRST STREET, SAN JOSE, CALIFORNIA 95110

(408) 277-4766

TO WHOM IT MAY CONCERN:

The purpose of this Official Statement is to supply information to prospective bidders on and buyers of \$9,650,000 Park Center Redevelopment Project, 1977 Tax Allocation Bonds (the "Bonds"), authorized and issued for the purpose of refunding outstanding 1974 Tax Allocation Bonds and assisting in the financing of said Project, paying of expenses in connection with issuance, and providing reserve funds as additional security for said Bonds.

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultant to the Redevelopment Agency of the City of San Jose with regard to the Park Center Redevelopment Project, 1977 Tax Allocation Bonds. (Such firm will receive compensation from the Agency contingent upon the sale and delivery of the Bonds.) Summaries herein presented of the Resolution of Issuance, the Community Redevelopment Law, the Redevelopment Plan for said Project, financial and economic data do not purport to be complete, and reference is made to the documents on file in the office of the Agency for further information. Statements which involve estimates or opinions, whether or not expressly so described herein, are intended solely as such and are not to be construed as factual reports.

The Official Statement does not constitute a contract with buyers or holders, from time to time, of the Bonds. The Resolution of Issuance, which does constitute such a contract, accompanies the Official Statement as originally distributed and is available to any prospective bidder on request from the Agency.

The legal opinion, approving the validity of the Bonds, will be furnished by Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, Bond Counsel to the Agency. Bond Counsel's participation in the review of this Official Statement has been limited to reviewing the statements of law and legal conclusions as set forth hereinafter under the captions "The Bonds" and "The Refunding Plan".

No dealer, broker, salesman or other person has been authorized by the Agency to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The execution and distribution of this Official Statement have been duly authorized by the Agency.

REDEVELOPMENT AGENCY OF THE CITY OF  
SAN JOSE

By Janet Gray Hayes  
Janet Gray Hayes, Chairperson

By Ted Tedesco  
Ted Tedesco, Executive Director



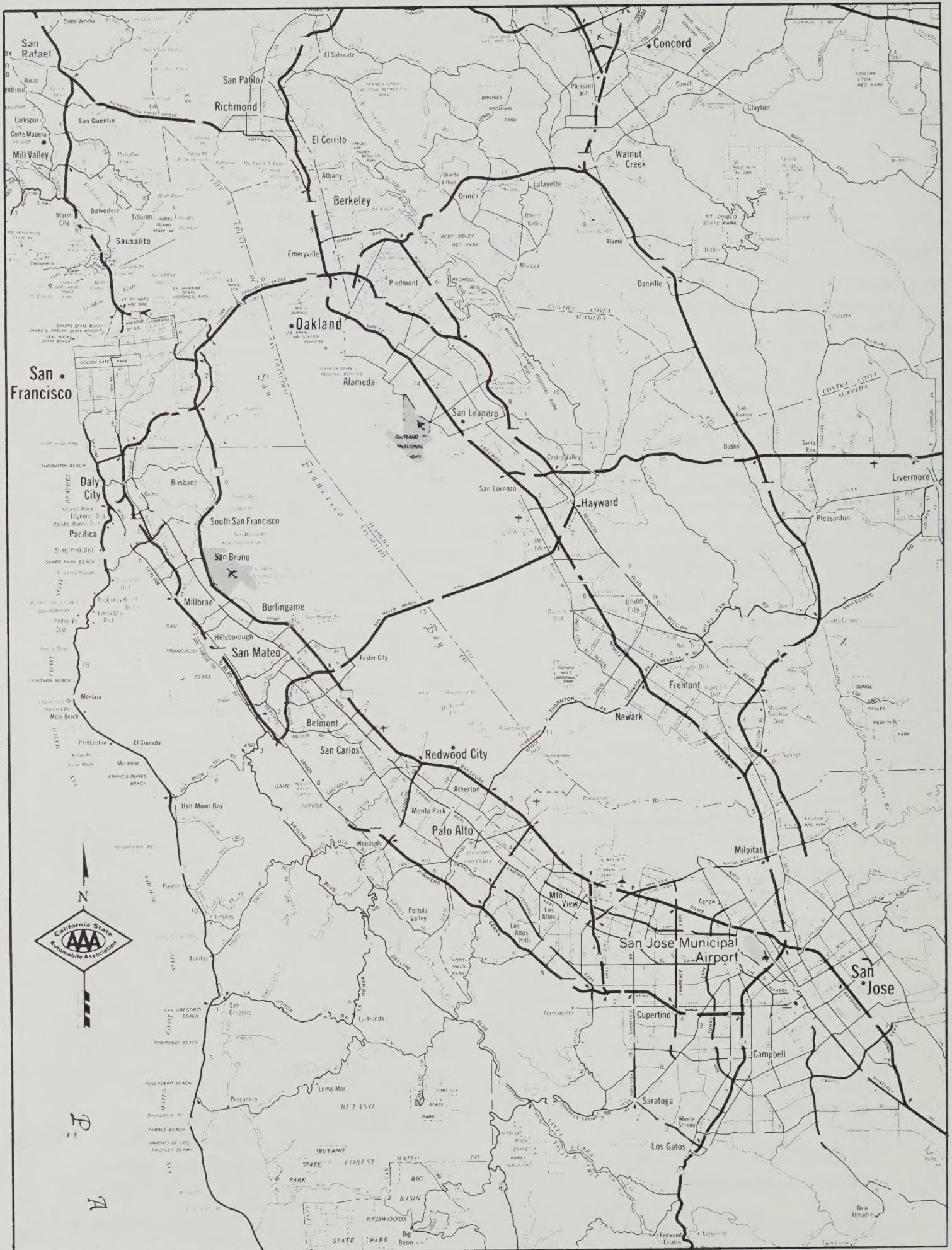
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San Jose and Vicinity.

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# INTRODUCTION

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The Constitution and laws of the State of California recognize the vital need for the elimination and rehabilitation of deteriorating urban areas in the state through conservation and redevelopment efforts, and provide an effective means of accomplishing these objectives. Under the provisions of the Community Redevelopment Law (California Health & Safety Code, Section 33000 et seq.), communities containing areas subject to economic and social deterioration may remedy these conditions by activating a redevelopment agency, which has the power to designate specific areas for redevelopment, prepare plans for redevelopment of the designated areas, and carry out the approved plans.

Financing of redevelopment projects in California may be provided through the issuance of tax allocation bonds or notes by the agency. These types of obligations are payable from property taxes collected from within a project upon the increase in assessed valuation which has resulted from redevelopment, as more fully described in this official statement. The local community may also advance funds to the redevelopment agency to help meet project costs, in which event, the advances may be repaid from such increased taxes.

In October of 1956 the San Jose City Council determined that there was a need for redevelopment of portions of the city, and by resolution activated the Redevelopment Agency of the City of San Jose, which is a public entity separate and apart from the city. On January 14, 1975 the City Council declared itself to be the Agency, replacing a separate board. Beginning in July 1961 with the adoption of the Park Center Redevelopment Project, the Agency has adopted nine redevelopment projects.

The Park Center Redevelopment Project consists of 59 acres in downtown San Jose. Extensive clearance and relocation activities have been carried out and 170 parcels of land were acquired by the Agency. A number of major new buildings have been constructed within the Project area, including various office towers, a Holiday Inn and parking garages.

The \$9,650,000 principal amount of 1977 Tax Allocation Bonds currently offered for sale on behalf of the Park Center Redevelopment Project (the "Project") will be used, together with moneys available in funds created pursuant to Resolution No. 1459 of the Agency authorizing the \$7,400,000 Bonds of 1974, to establish an escrow for the refunding of the outstanding Bonds of 1974, to repay a



City loan (\$1,115,000) to the Agency on behalf of the Project, to establish a new Bond Reserve and to provide approximately \$657,000 for additional public improvements in the Project area.

Payment of interest and principal on the 1977 Tax Allocation Bonds described herein is secured by a first and irrevocable pledge of all property taxes received from increased assessed valuations of the Project over such valuations recorded prior to adoption of the Redevelopment Plan for this Project (defined herein as the Tax Revenues), and all moneys set aside as a debt service reserve, subject, however, to permitted payments of "Surplus" tax increment revenues under the terms and conditions described herein and in the Resolution of the Agency providing for the issuance of these bonds.

Since adoption of the Redevelopment Plan in July 1961, assessed valuations on all property in the Project have increased by \$7,545,326 over the pre-existing valuations. At the tax rate applicable to all property in the Project (\$11.804 per \$100 assessed valuation), the Project will generate \$890,646 of Tax Revenues in the current 1976/77 fiscal year. In addition, there is incremental assessed valuation of

\$7,002,405 on land and improvements only within the Project, to which a 1976/77 tax rate of \$.088 per \$100 assessed valuation is applicable. This will generate \$6,162 of Tax Revenues which, when added to the aforementioned \$890,646 generated by the incremental assessed valuation of all property, results in total Tax Revenues of \$896,808 in 1976/77.

As discussed on page 35 of this official statement, it is anticipated that Project incremental assessed valuation on all property will increase \$437,500 in 1977/78 and \$200,000 in 1978/79 due to developments recently completed or under construction, resulting in a total incremental assessed valuation of \$8,182,826 by 1978/79 and in each subsequent fiscal year. At this level, and assuming continuation of the 1976/77 tax rate on all property of \$11.804, the Tax Revenues of \$972,062 (\$965,900 from all property plus \$6,162 from land and improvements only) generated will cover assumed average annual debt service on the Bonds by about 1.20 times (see Table 4 on page 39). It is anticipated by the Agency that additional development will occur in the Project in future years but no projections of such development or resulting incremental assessed valuation have been made for the above computations.

*This Introduction does not purport to present the complete provisions of the bonds now being offered, their terms of sale, documents authorizing their issuance and other relevant data. Reference is hereby made to the Official Statement, Notice Inviting Bids, and Resolution No. 1906 of the Redevelopment Agency of the City of San Jose for a complete recitation of such provisions and information. This Introduction is part of the Official Statement and should be read in conjunction therewith.*



# THE BONDS

*The statements herein concerning the Bonds and the Resolution are summaries of certain provisions thereof. They do not purport to be complete, and are qualified in their entirety by reference to the Resolution, a copy of which accompanies this official statement as originally distributed.*

## Authority for Issuance

The \$9,650,000 Park Center Redevelopment Project, 1977 Tax Allocation Bonds (hereinafter sometimes referred to as the "Bonds" or the "1977 Bonds"), currently being offered, were authorized pursuant to a resolution of the Redevelopment Agency of the City of San Jose, adopted February 17, 1977 (the "Resolution"), a copy of which accompanies this official statement as originally distributed. The Bonds will be issued under the provisions of, and in full conformity with, the Constitution and laws of the State of California, including the Community Redevelopment Law (commencing with Section 33000 of the California Health and Safety Code—the "Law"), and acts amending or supplementing that Law.

## Sale of Bonds

Bids for the purchase of the Bonds will be received on behalf of the Redevelopment Agency of the City of San Jose until 11:00 A.M., Thursday, March 17, 1977 at the office of the City Clerk, City Hall, 801 North First Street, San Jose, California 95110. Details as to the terms of sale are included with the Official Notice of Sale, adopted February 17, 1977, a copy of which is included with this official statement as originally distributed.

## Description of Bonds

The \$9,650,000 principal amount of Park Center Redevelopment Project, 1977 Tax Allocation Bonds will be dated as of April 1, 1977 and be issued either in coupon form in denominations of \$5,000 each, numbered 1 through 1930, or in fully regis-

tered form in the denomination of \$5,000 or any authorized multiple thereof, maturing on April 1 in the years and in the amounts shown below. Interest for the first year is payable on April 1, 1978 and semiannually thereafter on April 1 and October 1. The Bonds, the interest thereon, and any premiums upon the redemption thereof prior to maturity are payable at the San Francisco office of the Fiscal Agent, Bank of America NT & SA (Corporate Agency Division); Bankers Trust Company, New York, New York; or The First National Bank of Chicago, Chicago, Illinois.

| Maturity Date<br>April 1 | Principal Amount | Maturity Date<br>April 1 | Principal Amount |
|--------------------------|------------------|--------------------------|------------------|
| 1979 ...                 | \$140,000        | 1992 ...                 | \$370,000        |
| 1980 ...                 | 155,000          | 1993 ...                 | 395,000          |
| 1981 ...                 | 170,000          | 1994 ...                 | 425,000          |
| 1982 ...                 | 185,000          | 1995 ...                 | 450,000          |
| 1983 ...                 | 205,000          | 1996 ...                 | 485,000          |
| 1984 ...                 | 220,000          | 1997 ...                 | 515,000          |
| 1985 ...                 | 235,000          | 1998 ...                 | 550,000          |
| 1986 ...                 | 250,000          | 1999 ...                 | 590,000          |
| 1987 ...                 | 265,000          | 2000 ...                 | 630,000          |
| 1988 ...                 | 285,000          | 2001 ...                 | 670,000          |
| 1989 ...                 | 305,000          | 2002 ...                 | 715,000          |
| 1990 ...                 | 325,000          | 2003 ...                 | 765,000          |
| 1991 ...                 | 350,000          |                          |                  |

## Registration

The Bonds will be issued as coupon bonds or as fully registered bonds, at the holders' option, with the privilege of exchange as set forth in the Resolution.

## Redemption Provisions

Bonds maturing on or prior to April 1, 1992, a total principal amount of \$3,460,000, are not subject to call or redemption prior to their respective maturity dates. Bonds maturing on or after April 1, 1993, a total principal amount of \$6,190,000, are subject to call and redemption at the option of the Agency, as a whole or in part in inverse order of maturity and by lot within a single maturity, from any available source of funds, on any interest payment date commencing with April 1, 1992, upon payment of accrued interest to the date of call at a redemption price, as shown in the schedule on the page opposite (computed upon the principal amount of Bonds called for redemption). Notice of call for redemption shall be given as provided in the Resolution.



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## REDEMPTION DATES AND PREMIUMS

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|        |                                                                  |
|--------|------------------------------------------------------------------|
| 102¾ % | if redeemed on or after April 1, 1992, and before April 1, 1993; |
| 102½ % | if redeemed on or after April 1, 1993, and before April 1, 1994; |
| 102¼ % | if redeemed on or after April 1, 1994, and before April 1, 1995; |
| 102 %  | if redeemed on or after April 1, 1995, and before April 1, 1996; |
| 101¾ % | if redeemed on or after April 1, 1996, and before April 1, 1997; |
| 101½ % | if redeemed on or after April 1, 1997, and before April 1, 1998; |
| 101¼ % | if redeemed on or after April 1, 1998, and before April 1, 1999; |
| 101 %  | if redeemed on or after April 1, 1999, and before April 1, 2000; |
| 100¾ % | if redeemed on or after April 1, 2000, and before April 1, 2001; |
| 100½ % | if redeemed on or after April 1, 2001, and before April 1, 2002; |
| 100¼ % | if redeemed on or after April 1, 2002, and before April 1, 2003. |

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## Legal Opinion

The opinion of Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, Bond Counsel for the Agency, attesting to the validity of the Bonds, will be supplied free of charge to the purchaser of the Bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each Bond without charge to the successful bidder.

The statements of law and legal conclusions set forth in this official statement under the heading "The Bonds" and "The Refunding Plan" have been reviewed by Bond Counsel. Bond Counsel's employment is limited to a review of the legal procedures required for the authorization of the Bonds and to rendering an opinion as to the validity of the Bonds and the exemption of interest on the Bonds from income taxation (see section hereof entitled "Tax Exempt Status"). The opinion of Bond Counsel will not consider or extend to any documents, agreements, representations, offering circulars or other material of any kind concerning the Bonds, including this official statement, not mentioned in this paragraph.

## Tax Exempt Status

In the opinion of Bond Counsel, interest on the Bonds is exempt from present federal income taxes

and from State of California personal income taxes under existing statutes, regulations and court decisions.

## Certificate Concerning Official Statement

At the time of payment for and delivery of the Bonds, the Agency will furnish the successful bidder a certificate, signed by appropriate officers of the Agency, acting in their official capacity, to the effect that to the best of their knowledge and belief, and after reasonable investigation, (a) neither the official statement nor any amendment or supplement thereto contains any untrue statement of a material fact or omits to state any fact, necessary to make the statements therein, in light of the circumstances in which they were made not misleading; (b) since the date of the official statement no event has occurred which should have been set forth in an amendment or supplement to the official statement which has not been set forth in such an amendment or supplement; nor (c) has there been any material adverse change in the operation or financial affairs of the Agency or city since the date of such official statement.

## Other Closing Documents

In addition to the opinion of Bond Counsel and the certificate concerning the official statement described above, the Agency will, at the time of delivery of the Bonds, furnish the purchaser the following documents, all to be dated as of the date of delivery:

1. **Arbitrage Certificate.** A certificate of a responsible officer of the Agency that, on the basis of the facts and circumstances in effect at the time of delivery of the Bonds, it is not expected that the proceeds of the Bonds will be used in a manner that will cause the Bonds to be arbitrage bonds (together with an approving opinion of counsel concerning such certificate).

2. **No Litigation Certificate.** A certificate of a responsible officer of the Agency that there is no litigation threatened or pending affecting the validity of the Bonds.

3. **Signature Certificates.** Certificates of the respective officers and representatives of the Agency showing that they have signed the Bonds by manual or facsimile signature, and that they were duly authorized to execute the same.

4. **Treasurer's Receipt.** The receipt of the Treasurer of the Agency showing that the purchase price of the Bonds, including accrued inter-



est to the date of delivery (if any), has been received by the Agency.

## Legality for Investment in California

The California Community Redevelopment Law provides that debt instruments authorized and issued in the same manner and for the same purposes as the Bonds described herein shall be legal investments for all banks, including trust companies, and various other financial institutions, as well as for trust funds and other public bodies. The Community Redevelopment Law also provides that such debt instruments are authorized security for public deposits.

The Superintendent of Banks of the State of California has previously ruled that debt instruments of a redevelopment agency are, by said statute, legal investments in California for savings banks. As such, the Bonds would also be legal investments for all trust funds, and for the funds of all insurance companies, commercial banks, trust companies, and any public or private funds which may be invested in county, municipal, or school district bonds. The Bonds may be deposited as security for the performance of any act whenever the bonds of any county or municipality may be so deposited, and may also be used as security for the deposit of public moneys in banks in the state. The Agency has not requested a separate ruling from said Superintendent of Banks as to the 1977 Bonds.

## Purpose and Disposition of Bond Proceeds

Proceeds of the Bonds are to be used to retire \$7,400,000 outstanding 1974 Tax Allocation Bonds, repay a city loan to the Project, and finance construction of public improvements and related expenses, as described in the section of this official statement entitled "The Park Center Redevelopment Project".

Under the provisions of the Resolution, the Fiscal Agent will receive the proceeds from the sale of the Bonds and will apply them as follows:

(1) The accrued interest and premium, if any, will be deposited in the Interest Account of the Park Center Redevelopment Project Special Fund.

(2) A sum in an amount, which together with available moneys in the 1974 Bonds Reserve Fund and 1974 Bonds Reserve Account (both created under Resolution No. 1459 of the Agency adopted May 23, 1974), will be sufficient to purchase certain Escrowed United States Treasury obligations

which will provide for the orderly retirement and redemption of the Series 1974 Bonds, will be deposited in the Bonds of 1974 Escrow Fund (the "Escrow Fund").

(3) A sum equal to maximum annual interest on the 1977 Bonds will be deposited in the Reserve Account of the Park Center Redevelopment Project Special Fund.

(4) The balance of the proceeds will be deposited in the Park Center Redevelopment Project Redevelopment Fund, to be expended for the purposes for which the Bonds were issued.

The estimated amount of Bond proceeds to be used for each of the specified purposes is as shown in the tabulation below.

### PARK CENTER REDEVELOPMENT PROJECT Disposition of Bond Proceeds

|                                                            |                          |
|------------------------------------------------------------|--------------------------|
| Escrow Fund (1974 Bonds) .....                             | \$6,686,609 <sup>①</sup> |
| Public improvements .....                                  | 1,872,516 <sup>②</sup>   |
| Reserve Account (assumed maximum annual interest) .....    | 651,375                  |
| Provision for Bond discount (3% maximum) .....             | 289,500                  |
| Costs of issuance (legal, financing, printing, etc.) ..... | 150,000                  |
| Principal Amount of Bonds .....                            | <u>\$9,650,000</u>       |

① To be supplemented by approximately \$923,391 available funds in 1974 Bonds Reserve Fund and Balance Account (see page 12).

② As detailed in Table 3 on page 35.

## Security

The Bonds are payable from any available funds of the Agency and are secured by a first and exclusive pledge of all Tax Revenues (as defined below) and all moneys in the Reserve Account (to be established with the Fiscal Agent from Bond proceeds). The Tax Revenues are irrevocably pledged in their entirety to the payment of the Bonds or to the Reserve Account by transfer, so long as any of the Bonds remain outstanding or unprovided for. However, the Resolution provides for discretionary disbursement of a portion of the Tax Revenues to the Agency after certain requirements and other conditions precedent have been met (see section on pages 6-7 entitled "Creation of Funds and Accounts"—"Surplus").



Under the provisions of the Community Redevelopment Law and the Redevelopment Plan for the Park Center Redevelopment Project, taxes on property in the Project levied by any taxing agency on or after July 1, 1963 (the date on which the allocation of Tax Revenues began), will be allocated in the following manner beginning April 1, 1977 (the 1977 Bonds date):

(1) Taxes levied at the total prevailing rates each year against an amount equivalent to the recorded 1961/62 assessed valuation of property within the Project (the "frozen base"), will continue to be paid into the funds of the respective taxing agencies.

(2) Taxes derived from increases in the assessed valuation of property within the Project above the frozen base occurring for any reason (the "Tax Revenues") will be deposited in the Special Fund of the Agency, held and administered by the Fiscal Agent for payment of the Bonds.

The Bonds are special obligations of the Redevelopment Agency of the City of San Jose and as such are not a debt of the City of San Jose, the State of California, or any of its political subdivisions. Neither the city, state, nor any of its political subdivisions are liable for their payment. These Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

The validity of the Bonds is not dependent upon the completion of the Project or upon the performance by anyone of his obligation relative to the Project.

## **Creation of Funds and Accounts**

The Resolution provides for the establishment of funds and accounts, all to be held by the Fiscal Agent, for the administration and control of the proceeds obtained from sale of the Bonds, any other funds allocable to the Project, and from the pledged Tax Revenues. Specific aspects of these funds and accounts are described as follows:

*The Bonds of 1974 Escrow Fund*—Moneys deposited in the Bonds of 1974 Escrow Fund from Bond proceeds and the Reserve Fund and Reserve Account for the 1974 Bonds, shall be used to purchase certain escrowed United States Treasury obligations, as discussed in the section of this official statement entitled "The Refunding Plan."

*The Redevelopment Fund*—Moneys deposited in the Park Center Project Redevelopment Fund from Bond proceeds and any other sources, if required by the Agency, shall be used for the purpose of aiding in financing the Project. All moneys in excess of those required to complete the Project may be transferred from the Redevelopment Fund to the Special Fund, or to be held in the Redevelopment Fund to assist in financing subsequent phases of the Project, if any, as determined by the Agency.

*The Special Fund*—Under the provisions of the Resolution, the Agency authorizes and directs the payment of Tax Revenues, as defined in a preceding section, directly to the Fiscal Agent for deposit in the Park Center Project Special Fund.

So long as any of the Bonds are outstanding, moneys in the Special Fund shall be set aside in the following special accounts and be used in the following order of priority:

(1) *Interest Account.* On or before the last day of March 1978, and the last days of each September and March thereafter, the Fiscal Agent shall set aside from the Special Fund in the Interest Account an amount sufficient to pay the aggregate interest on all of the outstanding Bonds on the next succeeding interest payment date. Any funds so set aside shall be applied solely to the payment of interest on the Bonds when due (including accrued interest on any Bonds purchased or redeemed prior to maturity).

(2) *Principal Account.* On or before the last day of each March, commencing March 1979, the Fiscal Agent shall set aside from the Special Fund in the Principal Account an amount sufficient to pay the aggregate yearly principal becoming due and payable on the outstanding Bonds on the next principal payment date. All funds in the Principal Account shall be applied solely for the payment of principal of the Bonds when due and payable.

(3) *The Reserve Account.* After making the foregoing deposits, the Fiscal Agent shall set aside in the Reserve Account an amount sufficient to maintain the Minimum Reserve (as defined below) in said Reserve Account.

Moneys in the Reserve Account (initially equal to assumed maximum annual interest on the Bonds) shall be withdrawn and used by the Fiscal Agent solely for the purpose of paying the interest on and principal of the Bonds, or for the purpose of retiring all of the Bonds at the time outstanding.



At all times, a Minimum Reserve (an amount initially equal to assumed maximum annual interest due on the Bonds, and increased to equal maximum annual debt service on the Bonds then outstanding from the first available Tax Revenues after making the deposits required under Subsections (1) and (2) above), shall be maintained in the Reserve Account. Should the amount in the Reserve Account be less than the required Minimum Reserve, the Fiscal Agent shall restore the balance by transfer of the first available moneys in the Special Fund.

(4) *Surplus.* The Fiscal Agent on or before December 31 of each year, commencing December 31, 1977, shall ascertain the amount of Tax Revenues received or to be received by the Agency based upon the most recent assessed valuation of taxable property in the Project (as certified by the Auditor-Controller of Santa Clara County), and shall estimate that portion of said Tax Revenues which will be in excess of the amount of principal and interest which shall have come due or to become due during said fiscal year on the Bonds (and any parity bonds) then outstanding, and shall promptly notify the Agency of the excess portion so determined. The Agency may, by written notice to the Fiscal Agent within 30 days after receipt of such notification, direct that an amount not exceeding said excess portion be paid to the Agency, which amount may be used by the Agency for any purpose authorized in the Law, including, without limitation, the purchase and/or call and redemption of outstanding Bonds, provided the following condition has been met: The deposits required by the foregoing subsections (1), (2) and (3) have been made so that the required amounts are in the above mentioned accounts as shown by certification of the Fiscal Agent.

Upon receipt of the Tax Revenues, the Fiscal Agent shall make such payment or payments, as directed by the Agency.

## **Property Tax Rate Limitations and Exemptions**

The California Legislature has enacted legislation intended to limit future increases in ad valorem property tax rates. This legislation generally limits all future general purpose tax rates to that imposed during either the 1971/72 or 1972/73 fiscal year, or the rates set by the enabling statute of the par-

ticular taxing entity. Tax rate limits may be raised by any amount which is approved by a majority vote of the electorate. Tax rates may also be increased under an inflation or "cost-of-living" formula incorporated in the legislation. This legislation does not restrict tax rates levied for certain limited purposes, e.g. general obligation bonds or for voter approved pension plans.

Certain exemptions from property taxes have been granted to specific classes of property located in California. Revenues lost by local taxing agencies from two of these exemptions (the homeowners' property tax exemption and the business inventories exemption, which are discussed under the section "City Financial Data" in this official statement) are reimbursed by the State and are allocated to eligible redevelopment agencies in the same manner as locally collected taxes. Revenues lost as a result of other types of exemptions are not reimbursed, but assessed valuations of such exempt property are not reflected in either the frozen base roll or subsequent years' rolls. There is no assurance that additional tax rate limitations or exemptions will not be approved, nor is there any assurance that revenues lost will continue to be reimbursed to local taxing agencies or allocated to redevelopment agencies. To the extent that such limitations or exemptions are approved and the reimbursement and allocation of lost revenues are not made, the security of the Bonds could be adversely affected.

Redevelopment agencies in California do not have the power to levy or collect property taxes, but must rely upon the taxes levied on property within a project by other taxing agencies for the production of Tax Revenues. The tax rate for all purposes currently applicable to all property located within the Project is \$11.804 per \$100 assessed valuation. For the purposes of this official statement, projections of Tax Revenues to be received in or for 1976/77 and subsequent years are based upon this tax rate.

On December 30, 1976, the Supreme Court of California affirmed a judgment of the Superior Court of California for the County of Los Angeles, holding the California system of financing public elementary and high schools, based on ad valorem taxation invalid under the California Constitution. (*Serrano v. Priest*, \_\_\_\_ Cal. 3rd \_\_\_\_).

The affirmed judgment of the Superior Court also provides: (1) that the judgment is not intended to invalidate, and shall not be construed as invalidating in any way, any past acts constituting the operation of the school financing system; (2) that the existing



school financing system shall continue to operate for a reasonable length of time (but in no event later than September 1980) so that a constitutional system can be designed, enacted into law, and placed into operation; (3) that any redesign of the school financing system which provides for elimination of unconstitutional features on a gradual basis must be such that the redesigned school financing system will be fully constitutional no later than six years from date of entry of the judgment, and that otherwise there will be a denial to the plaintiffs of their constitutional rights for an unreasonable length of time; and (4) that the Trial Court is retaining jurisdiction so that any of the parties may apply for appropriate relief in the event that relevant circumstances develop, such as a failure by the legislative and executive branches to take the necessary steps to design, enact into law, and place into operation, within a reasonable time from entry of the judgment, a fully constitutional system.

To the extent that this decision, and any future legislative or judicial action required to implement or enforce such decision, may limit the ability of schools to continue to levy ad valorem property taxes for the support of education, Tax Revenues will be reduced, adversely affecting the security of the Bonds. The total 1976/77 tax rate for public elementary and high schools within the Project is \$5.682 per \$100 assessed valuation.

## **Issuance of Additional Bonds**

The Agency may, by Supplemental Resolution, issue Additional Bonds to pay the costs of the Project (including subsequent phases of the Project, if any) provided:

a. The Agency must be in compliance with all covenants set forth in the Resolution.

b. The Reserve Account must be increased, if necessary, by an amount sufficient to maintain the Minimum Reserve (assumed maximum annual debt service due on the Bonds and any Additional Bonds).

c. The Additional Bonds must mature on April 1, and interest thereon is to be payable April 1 and October 1 of each year, except the first year, which may be payable at the end of said year.

d. Tax Revenues produced or to be produced from the most recent equalized assessed valuation of taxable property located in the Project (including an allowance for estimated Tax Revenues to be derived from construction in progress on

the date of issuance of such Additional Bonds within two years of the date of issuance of such Additional Bonds) are at least equal to 1.25 times the assumed average annual debt service on all series of the outstanding Bonds and the Additional Bonds proposed to be issued, as opined to by an independent certified public accountant or independent real estate or financial consultant (as defined in the Resolution) employed by the Agency (the computation of assumed average annual debt service is to be made on the basis of approximately equal annual payments of principal plus interest over the entire term of the Bonds and the Additional Bonds proposed to be issued). For purposes of this computation, taxable property shall include assessed valuations of property exempt from local property taxation by reason of the homeowners' and business inventories exemptions, and any other exemptions enacted by statute or imposed by judicial decision, to the extent that in-lieu payments for such exemptions are made to the Agency.

e. The Agency must have received all required approvals of any governmental authority having jurisdiction over the Additional Bonds or their terms.

The Agency does not anticipate issuing any Additional Bonds for the Park Center Redevelopment Project in the foreseeable future.

## **Refunding Bonds**

Existing State Law provides that refunding bonds secured by Tax Revenues derived from the Park Center Redevelopment Project may be issued for the purpose of refunding all or any series of the Bonds then outstanding.

## **Certain Covenants of the Agency**

Certain covenants of the Agency under the Resolution are summarized in the following paragraphs.

1. The Agency will punctually pay, or cause to be paid, the principal of and interest on the Bonds as they become due.

2. The Agency will not encumber, pledge, or place any charge or lien upon any of the Tax Revenues superior to or on a parity with the pledge and lien created in the Resolution except as provided in the Resolution.

3. The Agency will deposit and use the Bond proceeds as provided in the Resolution, and will manage and operate all properties owned by the



Agency and comprising any part of the Project in a sound and businesslike manner and will keep such properties insured at all times in conformity with sound business practice.

4. The Agency will pay and discharge, or cause to be paid and discharged any governmental charges imposed, and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge which might impair the security of the Bonds. The Agency does not, however, covenant to make any such payment so long as the Agency in good faith shall contest the validity of said claims.

5. The Agency will keep proper books of accounts and will cause to be prepared within 120 days after the close of each fiscal year complete financial statements, in reasonable detail, on the Project, the Tax Revenues and other funds and accounts as provided in the Resolution, all as certified by an independent certified public accountant. The Agency will furnish a copy of such statements to any Bondholder upon written request. Said books and accounts will be maintained separate and apart from those of the City of San Jose.

6. The Agency will carry out to completion with all practical dispatch the Project, and the Project will be accomplished and completed in a sound and economical manner and in conformity with the Redevelopment Plan, and the Community Redevelopment Law. The Redevelopment Plan may be amended as provided in the Law, but no such amendment may be made which would substantially impair the security of the Bonds or the rights of the Bondholders.

7. If all or any part of the Project owned by the Agency shall be taken by eminent domain proceedings, the net proceeds realized by the Agency therefrom shall be deposited with the Fiscal Agent in the Special Fund for the purpose of paying principal of and interest on the Bonds subject to the terms, conditions and requirements contained in the Resolution.

8. Whenever any property in the Project has been redeveloped and thereafter is leased by the Agency to any person or persons (other than the City of San Jose or a public instrumentality thereof), or whenever the Agency leases real property in the Project to any person or persons for redevelopment, the property shall be assessed and taxed in the same manner as privately owned property (in accordance with Section 33673 of the Health and Safety Code of the State of California), and the lease or contract shall provide: (a) that the lessee shall pay taxes upon the assessed value of the entire property

and not merely upon the assessed value of their leasehold interest, and (b) that if for any reason the taxes paid by the lessee on such property in any year during the term of the lease or contract shall be less than the taxes which would have been payable upon the assessed value of the entire property if the property were assessed and taxed in the same manner as privately owned property, the lessee shall pay such difference to the Fiscal Agent within thirty days after the taxes for such year become payable to the taxing agencies and in any event prior to the delinquency date or dates of such taxes established by law. All such payments to the Fiscal Agent shall be treated as Tax Revenues and shall be deposited by the Fiscal Agent in the Special Fund.

9. The Agency will not dispose of more than 10% of the land area in the Project (other than property shown by the Redevelopment Plan in effect as of the date of the Resolution as planned for public use, or for such other limited public uses as specified in the Resolution) to public bodies or other persons or entities whose property is tax exempt if as a result of such disposition the security of the Bonds or the rights of the Bondholders will be substantially impaired.

10. The Agency will preserve and protect the security of the Bonds and the rights of the Bondholders, and will warrant and defend their rights against all claims and demands of all persons.

11. The Agency will not invest or cause to be invested proceeds of the Bonds in a manner which would result in the Bonds becoming taxable arbitrage bonds within the meaning of Section 103(c) of the Internal Revenue Code, as amended, and applicable regulations adopted thereunder.

## **Deposit and Investment of Moneys in Funds**

Subject to the provisions of the Resolution, all moneys held by the Fiscal Agent in the Redevelopment Fund and the Special Fund, except such moneys which are at the time invested, shall be held in time or demand deposits in any bank or trust company authorized to accept deposits of public funds (including the banking department of the Fiscal Agent) and shall be secured at all times by bonds or other obligations which are authorized by laws as security for public deposits, of a market value at least equal to the amount required by law.

Moneys in the Redevelopment Fund and the Special Fund may, and upon written request of the



Agency shall, be invested by the Fiscal Agent in certain Federal securities as described in the Resolution.

Obligations purchased as an investment of moneys in any of said funds shall be deemed at all times to be a part of such fund and any gain realized from such investment shall be credited to such fund and any loss resulting from any such authorized investment shall be charged to such fund without liability to the Agency or the members and officers thereof or to the Fiscal Agent. Investment income from moneys in the Reserve Account in excess of the Minimum Reserve may, at the request of the Agency, be transferred to the Redevelopment Fund, and investment income from moneys in the Redevelopment Fund may be so transferred to the Reserve Account.

For the purpose of determining at any given time the balance in such fund, any investment constituting a part of such fund shall be valued at the estimated market value of such investment.

### **Event of Default—Remedies**

The Resolution declares each of the following events to be an event of default:

(1) Failure to pay the principal on the Bonds when due and payable;

(2) Failure to pay interest on the Bonds when due and payable; if such failure shall have continued for 30 days;

(3) Default by the Agency in the performance or observance of any of the covenants, agreements or conditions in the Bonds or in the Resolution if such default continues for sixty (60) days after written notice thereof has been given to the Agency by the Fiscal Agent or by the holders of not less than 25% in aggregate principal amount of the Bonds then outstanding; or

(4) If the Agency files a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction approves a petition, filed with or without the consent of the Agency, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the Agency or of the whole or any substantial part of its property.

In the case of an event of default, the Fiscal Agent or the holders of not less than a majority in aggregate

principal amount of the Bonds at the time outstanding may declare the principal of all the Bonds then outstanding and the interest thereon to be due and payable immediately.

In addition, in the case of an event of default any Bondholder shall have the right, for the equal benefit and protection of all Bondholders similarly situated—

(1) By mandamus, suit, action or proceeding, to compel the Agency and its members, officers, agents or employees to perform each and every term, provision and covenant contained in the Resolution and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the Agency and the fulfillment of all duties imposed upon it by the Law;

(2) By suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bondholders' rights; or

(3) Upon the happening of any event of default, by suit, action or proceeding in any court of competent jurisdiction, to require the Agency and its members and employees to account as if it and they were the trustees of an express trust.

The Resolution provides that no remedy conferred therein upon the Fiscal Agent or the Bondholders shall be exclusive of any other remedy, and that each and every remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or thereafter conferred upon the Fiscal Agent or Bondholders. However, the effect of any such remedies may be limited by the laws of the State of California affecting such remedies and may also be limited by laws governing bankruptcy, insolvency or other matters affecting enforcement of creditors' rights.

### **Amendment of the Resolution**

The Resolution may be modified or amended by a Supplemental Resolution only with the consent of the holders of 60% of all Bonds then outstanding (exclusive of disqualified Bonds, as defined in Section 7.04 of the Resolution) unless the modification or amendment is for the purpose of curing ambiguities or defects in the Resolution; grants or confers upon the Bondholders additional rights, remedies, powers, authority or security; or to provide for the issuance of Additional Bonds in conformity with the provisions of the Resolution, in which case no Bond-



holder's consent is required. No modification or amendment of the Resolution shall: (1) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the Agency to pay the principal thereof, or interest thereon, or any premium payable on the redemption thereof, at the time and place and at the rate and in the currency provided therein, without the express consent of the holder of such Bond, or

(2) permit the creation by the Agency of any mortgage, pledge or lien upon the Tax Revenues, superior to or on a parity with the pledge and lien herein created for the benefit of the Bonds, or reduce the percentage of Bonds required for the affirmative vote or written consent to an amendment or modification, or (3) modify any of the rights or obligations of the Fiscal Agent or of any Paying Agent without its written consent.



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# THE REFUNDING PLAN

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## Escrow Agreement

Prior to the delivery of the 1977 Bonds, the Agency will enter into an escrow agreement with the Bank of America National Trust and Savings Association in San Francisco, California (the "Escrow Bank"). Under the Escrow Agreement, moneys will be deposited in the Escrow Fund, a special trust fund into which moneys held in the Series 1974 Reserve Fund and held in the Series 1974 Reserve Account will be transferred. Such moneys will be combined with specified proceeds of the 1977 Bonds upon delivery thereof and used to purchase escrowed United States Treasury obligations to pay the Series 1974 Bond requirements. Escrowed United States Treasury obligations held in trust in the Escrow Fund, including subsequent investment earnings therefrom must be in amounts sufficient to pay scheduled debt service requirements on the Series 1974 Bonds due July 1, 1977 through July 1, 1984 as well as provide for the redemption of the remaining Series 1974 Bonds due July 1, 1985 to 2000, inclusive, on July 1, 1984, the initial call date.

Under no circumstances will any deposit or investment of moneys in the Escrow Fund be made at materially higher yields than the yield on the 1977 Bonds if such investment or deposit would cause the 1977 Bonds to be "arbitrage bonds" under section 103(c) of the Internal Revenue Code of 1954, as amended, and rules and regulations prescribed subsequent thereto.

Certificates provided by a certified public accountant as to the sufficiency of funds to meet debt service requirements of the Series 1974 Bonds in the Escrow Fund shall be furnished as a condition precedent to delivery of the 1977 Bonds.

As the Series 1974 Bonds are retired or if provision for payment shall have been made with the Fiscal Agent so that such issue is paid in full and discharged, the Escrow Bank will be required to immediately transfer to the 1977 Bonds Special Fund

of the Agency any moneys remaining in the Escrow Fund and submit a final report.

## The Escrow Fund

The Escrow Fund is established by the Resolution to provide for the orderly retirement of the Series 1974 Bonds. Moneys deposited in the Escrow Fund will be placed in certain selected escrowed United States Treasury obligations in such amounts and maturities which, together with investment earnings therefrom and funds in the 1974 Bonds Reserve Fund and Reserve Account, will be sufficient to meet principal and interest when due on the Series 1974 Bonds as well as to provide for the redemption on the initial call date of all remaining Series 1974 Bonds.

## Sources of Funds for the Escrow Fund

The following tabulation presents an estimate of the amount of moneys needed to establish the Escrow Fund, assuming an early April 1977 delivery date of the 1977 Bonds.

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### PARK CENTER REDEVELOPMENT PROJECT

#### Bonds of 1974 Escrow Fund

##### Sources of Funds

|                                                   |                    |
|---------------------------------------------------|--------------------|
| 1974 Bonds retirement .....                       | \$7,400,000        |
| Call premium .....                                | 182,500            |
| Interest deficiency .....                         | 27,500             |
| Estimated Cost of U.S. Treasury obligations ..... | <u>\$7,610,000</u> |
| Sources:                                          |                    |
| 1974 Bonds Reserve Fund .....                     | \$ 647,744         |
| 1974 Bonds Reserve Account .....                  | <u>275,647</u>     |
| SUBTOTAL FUNDS ON HAND                            | \$ 923,391*        |
| Estimated Requirements, 1977 Bonds .              | <u>6,686,609</u>   |
| TOTAL SOURCES .....                               | <u>\$7,610,000</u> |

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\*As of February 1, 1977 as reported by Fiscal Agent for the 1974 Bonds.

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## Previous Refunding

On June 11, 1974, the Agency sold \$7,400,000 Park Center Project 1974 Tax Allocation Bonds, proceeds from which were partially utilized to establish an escrow for the refunding of \$2,610,000 outstanding 1970 Tax Allocation Bonds. The escrow was established and the 1970 Bonds have been fully defeased.



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# REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

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## **The Redevelopment Agency**

In 1956, the San Jose City Council took action that formally recognized the need for redevelopment of portions of the City. The Agency was created under the provisions of the Community Redevelopment Law by Resolution 12604 adopted by the City Council on October 1, 1956. On January 14, 1975, the City Council declared itself to be the Agency, and the City Manager is authorized to act as Executive Director of the Agency.

The Agency staff is organized as a unit reporting to the City Manager. The employees assigned to Agency activities are city employees. However, four full-time Agency employees are under a separate retirement system rather than under the general city system as are the rest of the Agency staff.

City staff provides technical services connected with the redevelopment projects, including fiscal services, engineering, planning and other functions necessary for project implementation.

The City Manager, Mr. Ted Tedesco, also acts as Executive Director of the Agency. Mr. Tedesco has been City Manager since 1973. He holds a Bachelor of Arts Degree in Political Science from the University of Rhode Island and a Master of Public Administration Degree from the University of Michigan. He is currently a member of the Inter-Governmental Science, Engineering and Technology Advisory Panel of the White House.

Ms. Pat A. Forst is the Administrative Assistant for the Agency. Ms. Forst has been with the Agency since 1969. Prior to this, she spent five years with HUD as a statistical analyst.

Agency financial records are maintained in the City's Finance Department under the supervision of Mr. Robert Lincoln, Chief of the City's Accounting Division, who also serves as Controller of the Agency. Mr. Lincoln has been a city employee since 1959 and holds a Bachelor of Science Degree in Business Administration from the University of Colorado.

All Agency checks are signed by both Mr. Lincoln and Mr. Kent South, who is the City Director of Finance. Mr. South has been with the city since 1963 and holds a Bachelor of Science Degree from Brigham Young University and a Master of Business Administration Degree from UCLA.

## **Powers**

All powers of the Agency are vested in its seven members. Under the Community Redevelopment Law, the Agency is a separate public body and exercises governmental functions in executing duly adopted redevelopment projects. As such, the Agency has the authority to acquire, develop, administer, and sell or lease property, including the right of eminent domain, the right to accept financial assistance from any source, and to issue bonds and expend their proceeds.

The Agency may also clear buildings or other improvements, develop as a building site any real property owned or acquired, and in connection with such development, may provide for the installation of streets, utilities, sidewalks, and other necessary public improvements. With the exception of publicly owned structures and facilities benefiting the project, the Agency itself cannot construct or cause to be constructed any buildings contemplated under the redevelopment plan but must convey property in the project by sale or lease, at fair market value, for private redevelopment in strict conformity with the plan. The Agency may specify a period of time within which such development must begin.

## **Tax Allocation Financing**

The Community Redevelopment Law authorizes a method of financing redevelopment projects based upon a prescribed allocation of property taxes collected within a project. The assessed valuation of taxable property within the project is, in effect, frozen at the level existing prior to adoption of the redevelopment plan, and all overlapping taxing bodies continue to receive the taxes derived by the levy of the current tax rate against this frozen base. All property taxes collected each year after the adoption of the redevelopment plan upon any increase in assessed valuation above the established base level may be credited to a redevelopment agency and pledged to the repayment of any indebtedness incurred by the Agency in the development of the project. After all such indebtedness has been repaid,



the total taxes produced by the project thereafter accrue to the respective taxing bodies in the usual manner. Thus, the tax allocation procedure not only permits each taxing agency to levy and collect taxes on the level of assessed valuation existing in a project prior to redevelopment, but also provides that increases in assessed valuation occurring as a result of such redevelopment may be used as a basis for the repayment of costs or indebtedness incurred on behalf of the project.

During the course of redevelopment, assessed valuations may temporarily be less than the frozen base, as a redevelopment agency acquires land and improvements and the properties are removed from the tax rolls by virtue of the transfer to public ownership. As an agency disposes of the land for purposes of redevelopment, it is returned to the tax rolls with an assessed valuation that usually reflects the higher level of planned use prescribed in the redevelopment plan. In the event that privately owned property is acquired and permanently removed from the tax rolls for public uses, the frozen base valuation is reduced proportionately so that the ability to generate Tax Revenues from any new development will not be impaired.

As previously stated, the Community Redevelopment Law authorizes the issuance of bonds by a redevelopment agency, and the payment of bond service costs is permitted from any one or a combination of stated sources. The Park Center Redevelopment Project 1977 Tax Allocation Bonds are secured by a pledge of tax receipts produced from the incremental assessed valuation of the Project (defined as the Tax Revenues) which are to be paid directly into the Agency's Special Fund established for the benefit of the Bondholders, and held by the Fiscal Agent. As discussed previously, Tax Revenues received each year in excess of aggregate

annual interest and principal requirements on the Bonds (and for other required payments and deposits, if any) may be paid to the Agency by the Fiscal Agent.

## **Agency Financial Statements**

The Redevelopment Agency of the City of San Jose is a public entity separate and apart from the City of San Jose. The Agency is staffed at the present time by 13 city employees and 4 Agency employees. Additional city staff members assist the Agency when needed on a part-time basis.

All accounting records of the Agency operations are maintained by the City Finance Department separately from city accounting records. All Agency administrative costs have been financed from Community Development Block Grant funds received from HUD under Title 1 of the Housing and Community Development Act of 1974. Tax increment revenues have been used for redevelopment project activities and not for general Agency administration.

The Agency does not have annual audits performed for the overall Agency. However, in accordance with State law, the Agency annually reports its financial transactions to the State Controller. Table 1 on page 15 presents a summary of source and application of funds for the Agency for fiscal years 1974/75 and 1975/76 as reported to the State Controller. Table 2 on page 16 presents the Agency's June 30, 1975 and June 30, 1976 Balance Sheets.

The Agency has annual independent audits made of all tax allocation bond issues. The latest audit report (for fiscal year 1975/76 with comparable data for fiscal year 1974/75) for the Park Center Redevelopment Project Tax Allocation Bonds Series 1970 and Series 1974 is reproduced in its entirety beginning on page 17 of this official statement.



Table 1

## REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

## Source and Application of Funds

|                                            | 1974/75                 |                |                           |                | 1975/76                 |                |                           |                |
|--------------------------------------------|-------------------------|----------------|---------------------------|----------------|-------------------------|----------------|---------------------------|----------------|
|                                            | Conventional<br>Project | NDP<br>Project | Tax<br>Increment<br>Funds | Grand<br>Total | Conventional<br>Project | NDP<br>Project | Tax<br>Increment<br>Funds | Grand<br>Total |
| Source of Funds:                           |                         |                |                           |                |                         |                |                           |                |
| Funds on Hand, July 1                      |                         |                |                           |                |                         |                |                           |                |
| Project cash .....                         | \$ 3,736                | \$ (30,363)    | \$ 141,239                | \$ 114,612     | \$ (62,742)             | \$(145,205)    | \$ 40,016                 | \$ (167,931)   |
| Investments .....                          | 4,394,790               | 400,192        | 1,798,197                 | 6,593,179      | 4,427,829               | 368,236        | 4,373,791                 | 9,169,856      |
| Subtotal .....                             | \$ 4,398,526            | \$ 369,829     | \$1,939,436               | \$ 6,707,791   | \$ 4,365,087            | \$ 223,031     | \$ 4,413,807              | \$ 9,001,925   |
| Cash Receipts:                             |                         |                |                           |                |                         |                |                           |                |
| Advances/note sales .....                  | \$18,195,000            | \$ 595,000     | \$ —                      | \$18,790,000   | \$15,915,000            | \$ —           | \$ —                      | \$15,915,000   |
| Tax allocation bond sale .....             | —                       | —              | 7,030,000                 | 7,030,000      | —                       | —              | 5,341,479                 | 5,341,479      |
| Tax increments collected .....             | —                       | —              | 676,324                   | 676,324        | —                       | —              | 2,091,865                 | 2,091,865      |
| Interest income .....                      | 337,087                 | 23,587         | 336,092                   | 696,766        | 200,571                 | 8,570          | 433,884                   | 643,025        |
| Land sales .....                           | 472,623                 | —              | —                         | 472,623        | 160,000                 | —              | —                         | 160,000        |
| Federal project grants .....               | 965,386                 | 354,002        | —                         | 1,319,388      | 1,935,424               | 441,998        | —                         | 2,377,422      |
| Federal relocation grants .....            | 154,900                 | —              | —                         | 154,900        | 102,987                 | 2,091          | —                         | 105,078        |
| Local aid .....                            | 143,104                 | —              | —                         | 143,104        | —                       | 22,675         | —                         | 22,675         |
| Rental income .....                        | 127,250                 | 501            | —                         | 127,751        | 124,486                 | —              | —                         | 124,486        |
| Other income .....                         | —                       | 9,533          | 10,663                    | 20,196         | —                       | 33,318         | —                         | 33,318         |
| Subtotal .....                             | \$20,395,350            | \$ 982,623     | \$8,053,079               | \$29,431,052   | \$18,438,468            | \$ 508,652     | \$ 7,867,228              | \$26,814,348   |
| Total Funds Available .....                | \$24,793,876            | \$1,352,452    | \$9,992,515               | \$36,138,843   | \$22,803,555            | \$ 731,683     | \$12,281,035              | \$35,816,273   |
| Application of Funds:                      |                         |                |                           |                |                         |                |                           |                |
| Retirement of advances/notes .....         | \$16,835,000            | \$ 595,000     | \$ 50,000                 | \$17,480,000   | \$18,195,000            | \$ 595,000     | \$ —                      | \$18,790,000   |
| Retirement of tax allocation bonds .....   | —                       | —              | —                         | —              | —                       | —              | —                         | —              |
| Interest on borrowed funds .....           | 772,305                 | 29,934         | —                         | 802,239        | (168)                   | 13,512         | —                         | 13,344         |
| Bond interest .....                        | —                       | —              | 414,771                   | 414,771        | —                       | —              | 1,066,231                 | 1,066,231      |
| Gross project cost .....                   | 2,643,271               | 429,842        | —                         | 3,073,113      | 2,341,274               | 120,869        | —                         | 2,462,143      |
| Relocation payments .....                  | 148,398                 | 37,281         | —                         | 185,679        | 13,549                  | (40)           | —                         | 13,509         |
| Other disbursements .....                  | 29,815                  | 37,364         | 5,113,937                 | 5,181,116      | 7,585                   | 2,342          | 1,223,202                 | 1,233,129      |
| Subtotal .....                             | \$20,428,789            | \$1,129,421    | \$5,578,708               | \$27,136,918   | \$20,557,240            | \$ 731,683     | \$ 2,289,433              | \$23,578,356   |
| Funds on Hand, June 30                     |                         |                |                           |                |                         |                |                           |                |
| Project cash .....                         | \$ (62,742)             | \$ (145,205)   | \$ 40,016                 | \$ (167,931)   | \$ 22,181               | \$ —           | \$ 250,750                | \$ 272,931     |
| Investments .....                          | 4,427,829               | 368,236        | 4,373,791                 | 9,169,856      | 2,224,134               | —              | 9,740,852                 | 11,964,986     |
| Subtotal .....                             | \$4,365,087             | \$ 223,031     | \$4,413,807               | \$ 9,001,925   | \$ 2,246,315            | \$ —           | \$ 9,991,602              | \$12,237,917   |
| Total Funds Disbursed and on<br>Hand ..... | \$24,793,876            | \$1,352,452    | \$9,992,515               | \$36,138,843   | \$22,803,555            | \$ 731,683     | \$12,281,035              | \$35,816,273   |

Source: Redevelopment Agency of City of San Jose, as reported to State Controller.



Table 2

## REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

## Balance Sheets

|                               | June 30, 1975        |                    |                     | June 30, 1976        |                    |                     |
|-------------------------------|----------------------|--------------------|---------------------|----------------------|--------------------|---------------------|
|                               | Conventional Project | NDP Project        | Grand Total         | Conventional Project | NDP Project        | Grand Total         |
| <b>ASSETS</b>                 |                      |                    |                     |                      |                    |                     |
| Cash .....                    | \$ 47,335            | \$ (62,826)        | \$ (15,491)         | \$ 15,913            | \$ —               | \$ 15,913           |
| Accounts Receivable ....      | 152,700              | 43,668             | 196,368             | 46,557               | —                  | 46,557              |
| Investments Held .....        | 4,427,829            | 368,236            | 4,796,065           | 2,224,134            | —                  | 2,224,134           |
| Net Project Costs .....       | 30,214,432           | 691,478            | 30,905,910          | 35,960,954           | 1,212,377          | 37,173,331          |
| Relocation Payments ....      | 1,517,821            | —                  | 1,517,821           | 1,531,370            | —                  | 1,531,370           |
| Other assets .....            | 29,815               | 46,897             | 76,712              | 37,400               | 49,240             | 86,640              |
| Total Assets .....            | <u>\$36,389,932</u>  | <u>\$1,087,453</u> | <u>\$37,477,385</u> | <u>\$39,816,328</u>  | <u>\$1,261,617</u> | <u>\$41,077,945</u> |
| <b>LIABILITIES</b>            |                      |                    |                     |                      |                    |                     |
| Current Liabilities .....     | \$ 159,796           | \$ 92,729          | \$ 252,525          | \$ 26,745            | \$ —               | \$ 26,745           |
| Accrued Interest Payable .    | 170,631              | 2,871              | 173,502             | —                    | —                  | —                   |
| Loans Payable .....           | 18,195,000           | 595,000            | 18,790,000          | 15,915,000           | —                  | 15,915,000          |
| Subtotal Liabilities ..       | <u>\$18,525,427</u>  | <u>\$ 690,600</u>  | <u>\$19,216,027</u> | <u>\$15,941,745</u>  | <u>\$ —</u>        | <u>\$15,941,745</u> |
| <b>CAPITAL</b>                |                      |                    |                     |                      |                    |                     |
| Local cash grants .....       | \$ 1,205,752         | \$ —               | \$ 1,205,752        | \$ 1,205,752         | \$ 22,675          | \$ 1,228,427        |
| Local non-cash grants ...     | 97,500               | —                  | 97,500              | 4,158,605            | 398,000            | 4,556,605           |
| Federal project grants ...    | 15,043,432           | —                  | 15,043,432          | 16,978,856           | 796,000            | 17,774,856          |
| Federal relocation grants .   | 1,517,821            | 354,002            | 1,871,823           | 1,531,370            | 44,942             | 1,576,312           |
| Other grants .....            | —                    | 42,851             | 42,851              | —                    | —                  | —                   |
| Subtotal Capital ....         | <u>\$17,864,505</u>  | <u>\$ 396,853</u>  | <u>\$18,261,358</u> | <u>\$23,874,583</u>  | <u>\$1,261,617</u> | <u>\$25,136,200</u> |
| Total Liabilities and Capital | <u>\$36,389,932</u>  | <u>\$1,087,453</u> | <u>\$37,477,385</u> | <u>\$39,816,328</u>  | <u>\$1,261,617</u> | <u>\$41,077,945</u> |

Source: Redevelopment Agency of City of San Jose, as reported to State Controller.



RONALD J. STORTZ  
CERTIFIED PUBLIC ACCOUNTANT  
1418 SHASTA AVENUE  
SAN JOSE, CALIFORNIA 95126

**AUDIT**

(408) 998-7020

Chairperson and Directors  
Redevelopment Agency of the City of San Jose  
San Jose, California

I have examined the balance sheets of the REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE, PARK CENTER PROJECT TAX ALLOCATION BONDS SERIES OF 1970 AND SERIES of 1974 as of June 30, 1976 and the related Statements of Revenue, Expenses and Changes in Fund Balances for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

In my opinion, the aforementioned financial statements present fairly the financial position of the PARK CENTER PROJECT TAX ALLOCATION BOND FUNDS, SERIES OF 1970 AND 1974, and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Ronald Stortz*

September 23, 1976



REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE  
PARK CENTER PROJECT TAX ALLOCATION BONDS  
SERIES OF 1970  
BALANCE SHEETS  
JUNE 30, 1976 AND 1975

18

| <u>ASSETS</u>                 |   |   |   |   |   | <u>LIABILITIES AND FUND BALANCES</u> |                    |                           |   |                    |                    |
|-------------------------------|---|---|---|---|---|--------------------------------------|--------------------|---------------------------|---|--------------------|--------------------|
|                               |   |   |   |   |   | <u>1976</u>                          | <u>1975</u>        |                           |   | <u>1976</u>        | <u>1975</u>        |
|                               |   |   |   |   |   | <u>RESERVE FUND</u>                  |                    |                           |   |                    |                    |
| Cash in Bank of America -     | - | - | - | - | - | \$ 67                                | \$ 4,167           | Fund balance -            | - | \$ 178,420         | \$ 178,701         |
| Accrued interest receivable - | - | - | - | - | - | 2,878                                | 2,829              |                           |   |                    |                    |
| Investments -                 | - | - | - | - | - | <u>175,475</u>                       | <u>171,705</u>     |                           |   |                    |                    |
| Total -                       | - | - | - | - | - | <u>\$ 178,420</u>                    | <u>\$ 178,701</u>  | Total -                   | - | <u>\$ 178,420</u>  | <u>\$ 178,701</u>  |
|                               |   |   |   |   |   | <u>SPECIAL FUND</u>                  |                    |                           |   |                    |                    |
| Cash in Bank of America -     | - | - | - | - | - | \$ 355                               | \$ -               | Fund balance -            | - | \$1,371,543        | \$1,317,745        |
| Accrued interest receivable - | - | - | - | - | - | 31,977                               | 31,414             |                           |   |                    |                    |
| Investments -                 | - | - | - | - | - | <u>1,339,211</u>                     | <u>1,286,331</u>   |                           |   |                    |                    |
| Total -                       | - | - | - | - | - | <u>\$1,371,543</u>                   | <u>\$1,317,745</u> | Total -                   | - | <u>\$1,371,543</u> | <u>\$1,317,745</u> |
|                               |   |   |   |   |   | <u>INTEREST PAYING FUND</u>          |                    |                           |   |                    |                    |
| Cash in Bank of America -     | - | - | - | - | - | \$ 3,544                             | \$ 3,375           | Payable to bond holders - | - | \$ 3,544           | \$ 3,375           |
|                               |   |   |   |   |   |                                      |                    | Fund balance -            | - | -                  | -                  |
|                               |   |   |   |   |   |                                      |                    | (Note 5)                  |   |                    |                    |
| Total -                       | - | - | - | - | - | <u>\$ 3,544</u>                      | <u>\$ 3,375</u>    | Total -                   | - | <u>\$ 3,544</u>    | <u>\$ 3,375</u>    |

NOTE: These statements are presented subject to the attached letter and notes.



REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE  
PARK CENTER PROJECT TAX ALLOCATION BONDS  
SERIES 1970  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCES

|                                  |           | Reserve          | Special            | Interest                     | Total All Funds   |                     |
|----------------------------------|-----------|------------------|--------------------|------------------------------|-------------------|---------------------|
|                                  |           | <u>Fund</u>      | <u>Fund</u>        | <u>Paying</u><br><u>Fund</u> | <u>1976</u>       | <u>1975</u>         |
| Revenue:                         |           |                  |                    |                              |                   |                     |
| Investment income                | - - - - - | \$ 12,469        | \$ 121,818         | \$ -                         | \$134,287         | \$ 134,209          |
| Total revenue (Note 7)           | - - -     | <u>12,469</u>    | <u>121,818</u>     | <u>-</u>                     | <u>134,287</u>    | <u>134,209</u>      |
| Expenses:                        |           |                  |                    |                              |                   |                     |
| Capital improvements             | - - - - - | -                | -                  | -                            | -                 | 439,062             |
| Interest on bonds                | - - - - - | -                | -                  | 176,175                      | 176,175           | 176,175             |
| Total expenses                   | - - - - - | -                | -                  | 176,175                      | 176,175           | 615,237             |
| Excess (deficiency)              |           |                  |                    |                              |                   |                     |
| of revenue over expenses         | - -       | <u>12,469</u>    | <u>121,818</u>     | <u>(176,175)</u>             | <u>\$(41,888)</u> | <u>(\$ 481,028)</u> |
| Other Changes in Fund Balances:  |           |                  |                    |                              |                   |                     |
| Transfer to Special Fund         | - - -     | (12,750)         | 12,750             | -                            |                   |                     |
| Transfer to Interest Paying Fund | -         | -                | (176,175)          | 176,175                      |                   |                     |
| Transfer from Bonds of 1970 -    |           |                  |                    |                              |                   |                     |
| Escrow Fund                      | - - - - - | -                | 95,405             | -                            |                   |                     |
| Fund balance beginning of year   | - -       | <u>178,701</u>   | <u>1,317,745</u>   | <u>-</u>                     |                   |                     |
| Fund balance end of year         | - - - - - | <u>\$178,420</u> | <u>\$1,371,543</u> | <u>\$ -</u>                  |                   |                     |

NOTE: These statements are presented subject to the attached letter and notes.



REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE  
PARK CENTER PROJECT TAX ALLOCATION BONDS  
SERIES OF 1974  
BALANCE SHEETS  
JUNE 30, 1976 AND 1975

| <u>ASSETS</u>                    |   |   |   |    | <u>LIABILITIES AND FUND BALANCES</u> |                    |                        |   |                   |                    |  |
|----------------------------------|---|---|---|----|--------------------------------------|--------------------|------------------------|---|-------------------|--------------------|--|
|                                  |   |   |   |    | <u>1976</u>                          | <u>1975</u>        |                        |   | <u>1976</u>       | <u>1975</u>        |  |
|                                  |   |   |   |    | <u>RESERVE FUND</u>                  |                    |                        |   |                   |                    |  |
| Cash in Bank of America          | - | - |   | \$ | -                                    | \$ 1,066           | Fund balance           | - | \$ 656,721        | \$ 655,158         |  |
| Accrued interest receivable      | - |   |   |    | 14,145                               | 9,929              |                        |   |                   |                    |  |
| Investments                      | - | - | - | -  | 642,576                              | 644,163            |                        |   |                   |                    |  |
| Total                            | - | - | - | -  | <u>\$ 656,721</u>                    | <u>\$ 655,158</u>  | Total                  | - | <u>\$ 656,721</u> | <u>\$ 655,158</u>  |  |
|                                  |   |   |   |    | <u>REDEVELOPMENT FUND</u>            |                    |                        |   |                   |                    |  |
| Cash in Bank of America          | - | - |   | \$ | (375)                                | \$ 27,751          | Fund balance           | - | \$ 680,240        | \$1,171,087        |  |
| Accrued interest receivable      | - |   |   |    | 49                                   | 5,201              |                        |   |                   |                    |  |
| Investments                      | - | - | - | -  | 257,519                              | 681,307            |                        |   |                   |                    |  |
| Deferred bond discount           | - | - |   |    | 319,048                              | 344,524            |                        |   |                   |                    |  |
| Deferred bond issue costs        | - | - |   |    | 103,999                              | 112,304            |                        |   |                   |                    |  |
| Total                            | - | - | - | -  | <u>\$ 680,240</u>                    | <u>\$1,171,087</u> | Total                  | - | <u>\$ 680,240</u> | <u>\$1,171,087</u> |  |
|                                  |   |   |   |    | <u>SPECIAL FUND</u>                  |                    |                        |   |                   |                    |  |
| Cash in Bank of America          | - | - |   | \$ | 140                                  | \$ 88              | Fund balance           | - | \$ 410,140        | \$ 455,925         |  |
| Accrued interest receivable      | - |   |   |    | -                                    | 8,837              |                        |   |                   |                    |  |
| Investments                      | - | - | - | -  | 410,000                              | 447,000            |                        |   |                   |                    |  |
| Total                            | - | - | - | -  | <u>\$ 410,140</u>                    | <u>\$ 455,925</u>  | Total                  | - | <u>\$ 410,140</u> | <u>\$ 455,925</u>  |  |
|                                  |   |   |   |    | <u>INTEREST PAYING FUND</u>          |                    |                        |   |                   |                    |  |
| Cash in Bank of America (Note 5) |   |   |   | \$ | 2,592                                | \$ 1,978           | Payable to bondholders |   | \$ 2,592          | \$ 1,978           |  |
|                                  |   |   |   |    |                                      |                    | Fund balance           | - | -                 | -                  |  |
| Total                            | - | - | - | -  | <u>\$ 2,592</u>                      | <u>\$ 1,978</u>    | Total                  | - | <u>\$ 2,592</u>   | <u>\$ 1,978</u>    |  |

NOTE: These statements are presented subject to the attached letter and notes.



REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE  
PARK CENTER PROJECT TAX ALLOCATION BONDS  
SERIES OF 1974  
BALANCE SHEETS  
JUNE 30, 1976 AND 1975

| <u>ASSETS</u>               |   |   |   |   | <u>LIABILITIES AND FUND BALANCES</u> |                    |                    |                    |   |
|-----------------------------|---|---|---|---|--------------------------------------|--------------------|--------------------|--------------------|---|
|                             |   |   |   |   | <u>1976</u>                          | <u>1975</u>        |                    |                    |   |
|                             |   |   |   |   |                                      |                    | <u>1976</u>        | <u>1975</u>        |   |
|                             |   |   |   |   | <u>BONDS OF 1970 ESCROW FUND</u>     |                    |                    |                    |   |
| Cash in Bank of America     | - | - |   |   | \$ -                                 | \$ 32              | Fund balance       | -                  |   |
| Accrued interest receivable | - |   |   |   | 24,395                               | 24,591             |                    |                    |   |
| Investments                 | - | - | - | - | <u>1,068,458</u>                     | <u>1,085,289</u>   |                    |                    |   |
| Total                       | - | - | - | - | <u>\$1,092,853</u>                   | <u>\$1,109,912</u> | Total              | -                  | - |
|                             |   |   |   |   |                                      |                    | <u>\$1,092,853</u> | <u>\$1,109,912</u> |   |
|                             |   |   |   |   | <u>RESERVE ACCOUNT</u>               |                    |                    |                    |   |
| Cash in Bank of America     | - | - |   |   | \$ -                                 | \$ -               | Fund balance       | -                  |   |
| Accrued interest receivable | - |   |   |   | 1,618                                | -                  |                    |                    |   |
| Investments                 | - | - | - | - | <u>270,000</u>                       | <u>-</u>           |                    |                    |   |
| Total                       | - | - | - | - | <u>\$ 271,618</u>                    | <u>\$ -</u>        | Total              | -                  | - |
|                             |   |   |   |   |                                      |                    | <u>\$ 271,618</u>  | <u>\$ -</u>        |   |
|                             |   |   |   |   | <u>INTEREST ACCOUNT (NOTE 6)</u>     |                    |                    |                    |   |
| Cash in Bank of America     | - | - |   |   | <u>\$ 239,908</u>                    | <u>\$ 1,390</u>    | Fund balance       | -                  |   |
|                             |   |   |   |   |                                      |                    | <u>\$ 239,908</u>  | <u>\$ 1,390</u>    |   |

NOTE: These statements are presented subject to the attached letter and notes.



## REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

## PARK CENTER PROJECT TAX ALLOCATION BONDS

SERIES 1974

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCES

|                                                 | Reserve<br>Fund  | Redevel-<br>opment<br>Fund | Special<br>Fund   | Interest<br>Paying<br>Fund | Bonds of<br>1970 Escrow<br>Fund | Reserve<br>Account | Interest<br>Account<br>(Note 6) |
|-------------------------------------------------|------------------|----------------------------|-------------------|----------------------------|---------------------------------|--------------------|---------------------------------|
| Revenues:                                       |                  |                            |                   |                            |                                 |                    |                                 |
| Investment income - - -                         | \$ 46,543        | \$ 18,772                  | \$ 15,230         | \$ -                       | \$ 78,346                       | \$ 8,200           | \$ 598                          |
| Tax increment revenue - -                       | -                | -                          | 920,946           | -                          | -                               | -                  | -                               |
| Total revenue - -                               | <u>\$ 46,543</u> | <u>\$ 18,772</u>           | <u>\$ 936,176</u> | <u>\$ -</u>                | <u>\$ 78,346</u>                | <u>\$ 8,200</u>    | <u>\$ 598</u>                   |
| Expenses:                                       |                  |                            |                   |                            |                                 |                    |                                 |
| Capital improvements (Note 3)                   | \$ -             | \$ 516,629                 | \$ -              | \$ -                       | \$ -                            | \$ -               | \$ -                            |
| Fiscal agent - - -                              | -                | 3,875                      | -                 | -                          | -                               | -                  | -                               |
| Legal and accounting - -                        | -                | 1,130                      | -                 | -                          | -                               | -                  | -                               |
| Bond financing costs - -                        | -                | 8,304                      | -                 | -                          | -                               | -                  | -                               |
| 22 Bond discount - - -                          | -                | 25,476                     | -                 | -                          | -                               | -                  | -                               |
| Interest on bonds - - -                         | -                | -                          | -                 | 479,808                    | -                               | -                  | -                               |
| Total expenses - -                              | <u>\$ -</u>      | <u>\$ 555,414</u>          | <u>\$ -</u>       | <u>\$ 479,808</u>          | <u>\$ -</u>                     | <u>\$ -</u>        | <u>\$ -</u>                     |
| Excess (deficiency) of<br>revenue over expenses | <u>\$ 46,543</u> | <u>\$ (536,642)</u>        | <u>\$ 936,176</u> | <u>\$ (479,808)</u>        | <u>\$ 78,346</u>                | <u>\$ 8,200</u>    | <u>\$ 598</u>                   |
| Other Changes in Fund Balances:                 |                  |                            |                   |                            |                                 |                    |                                 |
| Transfer to Redevelopment Fund (44,980)         |                  | 44,980                     |                   |                            |                                 |                    |                                 |
| Transfer to Redevelopment Fund                  |                  | 815                        |                   |                            |                                 | (815)              |                                 |
| Transfer to Reserve Account                     |                  |                            | (264,233)         |                            |                                 | 264,233            |                                 |
| Transfer to Interest Account                    |                  |                            | (717,728)         |                            |                                 |                    | 717,728                         |
| Transfer to Interest Paying Fund                |                  |                            |                   | 479,808                    |                                 |                    | (479,808)                       |
| Transfer to Special Fund -<br>Series 1970 - - - |                  |                            |                   |                            | (95,405)                        |                    |                                 |
| Fund balance beginning of year                  | <u>\$655,158</u> | <u>\$1,171,087</u>         | <u>\$ 455,925</u> | <u>\$ -</u>                | <u>\$1,109,912</u>              | <u>\$ -</u>        | <u>\$ 1,390</u>                 |
| Fund balance end of year -                      | <u>\$656,721</u> | <u>\$ 680,240</u>          | <u>\$ 410,140</u> | <u>\$ -</u>                | <u>\$1,092,853</u>              | <u>\$271,618</u>   | <u>\$ 239,908</u>               |

NOTE: These statements are presented subject to the attached letter and notes.



REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE  
PARK CENTER PROJECT TAX ALLOCATION BONDS  
SERIES 1974

STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCES

TOTAL ALL FUNDS

|                                                   | <u>1976</u>        | <u>1975</u>        |
|---------------------------------------------------|--------------------|--------------------|
| Revenues:                                         |                    |                    |
| Proceeds from bond issue - -                      | \$ -               | \$7,400,000        |
| Investment income - - -                           | 167,689            | 209,847            |
| Tax increment revenue - -                         | <u>920,946</u>     | <u>676,324</u>     |
| Total revenue - - -                               | <u>\$1,088,635</u> | <u>\$8,286,171</u> |
| Expenses:                                         |                    |                    |
| Capital improvements (Note 3)                     | \$ 516,629         | \$4,548,495        |
| Fiscal agent - - - -                              | 3,875              | 5,172              |
| Legal and accounting - - -                        | 1,130              | 600                |
| Bond financing costs - - -                        | 8,304              | 8,304              |
| Bond discount - - - -                             | 25,476             | 25,476             |
| Interest on bonds - - -                           | <u>479,808</u>     | <u>239,899</u>     |
| Total expenses - - -                              | <u>\$1,035,222</u> | <u>\$4,827,946</u> |
| Excess (deficiency) of<br>revenue over expenses - | <u>\$ 53,413</u>   | <u>\$3,458,225</u> |

NOTE: These statements are presented subject to the attached letter and notes.



REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE  
PARK CENTER PROJECT TAX ALLOCATION BONDS  
STATEMENT OF BONDS AUTHORIZED AND ISSUED  
AS OF JUNE 30, 1976

SERIES OF 1970

Principal amount of bonds authorized by Resolution No. 868 - \$4,000,000

Principal amount of bonds of Series of 1970, dated  
October 1, 1970, with interest at 6.75%, to mature  
October 1, 2000 - issued and outstanding (Note 1) ----- \$2,610,000

SERIES OF 1974

Principal amount of bonds authorized by Resolution No. 1459      \$7,400,000

Principal amount of bonds of Series of 1974, dated  
July 1, 1974, mature and bear interest according  
to the following schedule:

| <u>Bond Numbers</u><br><u>(Inclusive)</u> | <u>Principal</u><br><u>Amount</u> | <u>Maturity Date</u><br><u>July 1</u> | <u>Interest Rate</u><br><u>Per Annum</u> |
|-------------------------------------------|-----------------------------------|---------------------------------------|------------------------------------------|
| 1 - 25                                    | \$ 125,000                        | 1977                                  | 5.60%                                    |
| 26 - 53                                   | 140,000                           | 1978                                  | 5.70                                     |
| 54 - 82                                   | 145,000                           | 1979                                  | 5.80                                     |
| 83 - 113                                  | 155,000                           | 1980                                  | 5.90                                     |
| 114 - 146                                 | 165,000                           | 1981                                  | 6.00                                     |
| 147 - 182                                 | 180,000                           | 1982                                  | 6.10                                     |
| 183 - 220                                 | 190,000                           | 1983                                  | 6.20                                     |
| 221 - 261                                 | 205,000                           | 1984                                  | 6.30                                     |
| 262 - 305                                 | 220,000                           | 1985                                  | 6.40                                     |
| 306 - 351                                 | 230,000                           | 1986                                  | 6.40                                     |
| 352 - 402                                 | 255,000                           | 1987                                  | 6.50                                     |
| 403 - 455                                 | 265,000                           | 1988                                  | 6.50                                     |
| 456 - 512                                 | 285,000                           | 1989                                  | 6.50                                     |
| 513 - 574                                 | 310,000                           | 1990                                  | 6.60                                     |
| 575 - 1480                                | 4,530,000                         | 2000                                  | 6-5/8                                    |

Issued and outstanding \$7,400,000

This statement is presented subject to the attached  
letter and notes



REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE  
PARK CENTER PROJECT TAX ALLOCATION BONDS  
NOTES TO FINANCIAL STATEMENTS

ACCOUNTING METHOD:

Generally, the books are kept on the cash basis of accounting, which recognizes income when received and expenses when paid. However, these financial statements have been adjusted to reflect accruals of income on investments, amortization of discounts and premiums paid related to investments, and amortization of the discount on the bond issue of 1974 and the bond issue costs.

GENERAL INFORMATION:

All transactions related to investments are handled by the Bank of America, which is the Fiscal Agent.

All expenditures for payment of bond interest are handled by the Fiscal Agent. The interest expense is treated as fully paid when transferred to the interest paying accounts.

All expenses for development costs and other appropriate costs are approved by the Board of the Redevelopment Agency of the City of San Jose.

NOTE 1: The Series of 1970 is callable at 104% on or after October 1, 1980. On May 23, 1974, the Redevelopment Agency of the City of San Jose Adopted Resolution No. 1459 authorizing the issuance of \$7,400,000 principal amount of Redevelopment Agency of the City of San Jose Park Center Project 1974 Tax Allocation Bonds. Pursuant to that resolution, the "Bonds of 1970 Escrow Fund" was established to retire the Bonds of 1970 at the call date, October 1, 1980. The sum on deposit in the "Bonds of 1970 Escrow Fund", along with funds in the Reserve Fund and Special Fund of the 1970 Series, invested in Federal Securities, will be sufficient to pay all interest on the Bonds of 1970 on and prior to the retirement date, and to pay the principal of and redemption premiums on the bonds of 1970 to be refunded on the retirement date.



REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE  
PARK CENTER PROJECT TAX ALLOCATION BONDS  
NOTES TO FINANCIAL STATEMENTS

NOTE 2: The Redevelopment Agency of the City of San Jose Park Center Project 1974 Tax Allocation Bonds were authorized by a resolution adopted by the Agency on May 23, 1974 pursuant to the Community Redevelopment Law of the State of California.

Bonds maturing on or before July 1, 1984 shall not be subject to redemption before their respective stated maturities. Bonds maturing on or after July 1, 1985 shall be subject to redemption prior to their respective stated maturities at the option of the Agency, from any source of available funds, as a whole or in part in inverse order of maturity and by lot within a maturity, on any interest payment date on or after July 1, 1984, upon the terms and conditions and at the redemption prices set forth in the Resolution.

The bonds of 1974 are secured by a first and exclusive pledge of the tax Revenues (as that term is defined in the Resolution).

NOTE 3: During the fiscal year end June 30, 1976 funds totaling \$508,000 were disbursed from the redevelopment funds to the City of San Jose. Funds were used for the construction of a conference and exhibit hall within the Park Center Project Redevelopment area.



REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE  
PARK CENTER PROJECT TAX ALLOCATION BONDS  
NOTES TO FINANCIAL STATEMENTS

- NOTE 4: On May 25, 1973 the Redevelopment Agency of the City of San Jose borrowed \$625,000 from the City of San Jose. On May 25, 1974 the Redevelopment Agency of the City of San Jose borrowed \$713,000 from the City of San Jose. Both loans are without interest. The loans are to be repaid, at the discretion of the Agency, in the form of (1) annual or semi-annual payments of tax increments derived from and attributable to the Park Center Redevelopment Project Area, or (2) a lump sum payment derived from the sale of tax allocation bonds or (3) any combination of (1) and (2) above. The pledges to repay the loans, as outlined above, are subordinate and junior to the obligations of the Agency under all the outstanding tax allocation bonds of the Agency for the Park Center Redevelopment Project.
- NOTE 5: Balances are shown on this report for the interest paying funds for both the 1970 and the 1974 bonds. These funds are in the account because all bond holders have not submitted their coupons for payment. These funds are not available for purposes other than interest payments.
- NOTE 6: The Interest Account represents the same fund that was titled Trust Design Fund in the financial statements for the year end June 30, 1975.
- NOTE 7: The total revenue for 1975 differs from the 1975 Audit Report because the \$64,753 transfer from Bonds of 1970 Escrow Fund is not included. It was felt that this amount should be shown as a transfer between Funds. The above reclassification changed the (Deficiency) of revenue over expenses from \$(416,275) to \$(481,028).



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## OTHER AGENCY PROJECTS

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### **San Antonio Plaza Project**

The San Antonio Plaza Project, which was initially conceived in 1964, is the Agency's second urban renewal project. The project area includes eight blocks with Market Street, adjacent to the eastern boundary of the Park Center Project, its western boundary. From here, the project area extends easterly four blocks to San Jose State University on Fourth Street, north to San Fernando Street and south to San Carlos Street. Whereas the Park Center Project essentially calls for construction of new buildings, the San Antonio Plaza Project differs in that it also stresses rehabilitation of structurally sound buildings. The primary objectives of this project are to stimulate increased business, commercial and financial activity and to establish a true metropolitan core for the City of San Jose, as well as to provide for integration of the San Jose State University campus into the core area.

A request for survey and planning funds was submitted in mid-1964 to the Department of Housing and Urban Development ("HUD"). Planning on this project started in 1966, and final approval of the loan and capital grant application from the HUD was granted in the fall of 1968.

Projected development of the project area includes office towers and buildings, retail commercial and central open space areas, hotel, moderate-income housing units and restaurants. The Paseo de San Antonio is the public center of the project.

Parking garages are to be constructed which will provide some 4,500 spaces and each block is designed to house a separate service-way to provide for off-street loading facilities. Interspersed throughout will be pedestrian plazas and resting areas.

The estimated cost of the redevelopment project is \$17.2 million, of which two-thirds, or \$11.5 million, will be paid by the Federal Government with the remaining one-third provided by the city. The \$5.7 million local share is programmed to consist

of \$1.4 million for project improvements, a \$4.0 million non-cash grant-in-aid credit for San Jose State University improvements and \$0.3 million in tax credits.

### **Mayfair One Project**

The Mayfair One Project is located in the San Jose Model Neighborhood area approximately four miles southeasterly of the Park Center Project. Mayfair One differs fundamentally from previous projects in that existing development, in and around the project, is suburban in character, with the project area itself presently consisting predominantly of open land. The primary objective in the Mayfair One Program is to promote the development of dwelling units for low and moderate-income families, thereby alleviating over-crowding in the surrounding area. Construction of proposed residences will commence upon disposition of land to a qualified developer.

The project was financially settled with HUD in December 1976, to be developed at a future date.

### **Neighborhood Development Program Project**

The NDP (Neighborhood Development Program) Project area is located adjacent to the Mayfair One Project Area. The NDP Project was successfully completed in June 1976 and provided rehabilitated housing and street reconstruction over an approximate 50-acre area.

### **Pueblo Uno Project**

The Pueblo Uno Project is a four-block central business district redevelopment area, for which the redevelopment plan was adopted in July 1975. The principal objective of the project is to encourage private development and rehabilitation or clearance of substandard commercial property. The Agency will finance needed public improvements by means of tax increment revenues. Crocker Bank completed a high-rise office building in the project area in 1975 and the high-rise First National Bank Plaza is scheduled for completion in early 1977. Total development cost of these two buildings is in excess of \$7 million.

### **Olinder Project**

This project, adopted in July 1976, is an industrial area of approximately 158 acres in the vicinity of the Interstate 280/U.S. 101 interchange. A num-



ber of new developments are being constructed in this established industrial area. Public improvements needed for continued development within the project area will be financed by means of tax increments.

### **Rincon de los Esteros Project**

This project calls for redevelopment of approximately 1,400 acres in the northwest portion of the city into a modern industrial and commercial complex. No residential uses will be permitted in the project. The project, for which the Redevelopment Plan was adopted July 15, 1974, was the Agency's first non-Federally-assisted redevelopment project. Public improvements within the project area were financed by \$5,580,000 Tax Allocation Bonds. The project's 1976/77 assessed valuation represents an increase of about \$16,197,000 over the base year

(1973/74) valuation, indicating the rapid development within the project.

### **Julian-Stockton Project**

This project, for which the redevelopment plan was adopted in July 1976, covers approximately 357 acres in the older portion of the central business district. The principal objective of the project is to encourage private development and rehabilitation and for the Agency to provide needed public improvements.

### **Edenvale Project**

This project, also adopted in July 1976, is located west of U.S. 101 in the southern part of the city. An industrial area, of about 1,147 acres, tax increment financing will be used to finance needed public improvements.

Recently completed warehouses located with the Rincon de los Esteros Project area, an industrial redevelopment project of the Agency.







Aerial view of the Park Center Redevelopment Project (outline), taken in early 1976. The high-rise buildings comprise Park Center Plaza, a complex of banking and office buildings.



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# THE PARK CENTER REDEVELOPMENT PROJECT

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## Background

The Redevelopment Plan (the "Plan") for the Park Center Redevelopment Project was adopted by the Agency and the City Council on July 24, 1961. The Project was the Agency's first.

Since initial adoption, there have been five amendments to the plan. The first amendment, approved on October 21, 1965, provided for the Guadalupe Freeway right-of-way in Parcel G, the closing of Almaden Avenue, the widening of Vine Street, and reconstituted lands designated for parks. On January 30, 1967, the Second Amended Plan was approved which provided for alternate commercial uses on Parcels B and C upon application by the Developers. Also incorporated into this amendment was an easing of the ratio of off-street parking to office space. The Third Amended Plan, approved September 14, 1967, made use of the Community Facilities Act of 1966 which provided for increased non-cash allowances for certain public facilities. The Fourth Amended Plan, approved on March 26, 1973, provided for a change in land use of Parcel E from a public building site to commercial use. This change allowed for the construction of the Holiday Inn, plus sites for an additional banking facility and parking garage. The Fifth Amended Plan, approved on May 21, 1974, expanded the Project area by addition of the 6.77-acre Parcel L in the southeast portion of the Project upon which the city convention center and exhibit hall are constructed. This amendment also added two small areas on Park Avenue and San Fernando Street to extend the Project across the Guadalupe River along these two streets.

Conditions in the Project area prior to adoption of the Plan met the statutory tests for blight. The Project area contained 221 primary buildings of which 168 were used for dwellings and related public or semi-public purposes, 37 were classified as commercial and 16 were industrial in category. Of these primary buildings, 122, or 55.2%, were determined to be substandard by the Agency. Ex-

cessive coverage of land by structures in many sections of the Project area restricted the amount of open space and did not provide for sufficient light, air or vehicle parking accommodations. A very large percentage of the primary structures had been constructed prior to 1920 for which period no building records for the city are available. Non-compatible uses were noted in certain areas, including a cheese plant, automotive shops, laundry and dairy facilities which created serious adverse influences for residents due to noise and odor. There were no community facilities such as parks, playgrounds or other recreational areas available to occupants of the Project area. Sections of one-way primary streets passed through the Project area in both north-south and east-west directions and the lack of loading docks created safety problems and inconveniences.

For the above reasons, the Project was planned for total clearance except for four structures which were deemed to be sound and to have uses adaptable for incorporation into the Redevelopment Plan. An extensive relocation program has been carried out, as required by State and Federal law, and the Agency assisted 282 households, 147 businesses and seven institutions in relocation. A total of 170 parcels of land were acquired and all but the aforementioned four structures were demolished and cleared.

The Plan under the California Community Redevelopment Law provides for participation in the redevelopment of property in the Project area by owners of property in said area if owners agree to participate in redevelopment in conformity with the Plan.

State and Federal statutory requirements regarding relocation of residents of the Project area assured that their interests would be protected. Approval of the relocation plan by the City Council required a finding that adequate, permanent housing facilities were available in the community for displaced occupants at rents comparable to those in the community at the time of their displacement. Relocation was accomplished on an individual case basis by the staff of the Agency with the active cooperation of all other affected agencies and organizations in the community.

Covenants were included in all agreements for the disposition of land, including owner participation agreements, which generally assured the establishment and maintenance of a safe, healthful and well-planned pattern of community development, and which carry out the purposes of the Community Redevelopment Law.



The development of new structures, buildings, parking areas and landscaping are the responsibility of the appropriate public body, person, or redeveloper so obligated under the terms of agreements entered into by them with the Agency.

## **Litigation**

After the original 52-acre Project area was determined to be blighted and the Agency was committed to corrective measures, a suit was filed in September 1961 by four of the property owners who claimed that the area was not blighted, that there was no resale demand for the property, and that the Agency could not relocate businesses and householders in the area. The Agency received a favorable Superior Court decision in February 1962, two months after the Federal Government had approved the Loan and Capital Grant Contract for acquisition, relocation and demolition.

The decision of the Superior Court was appealed to the District Court which affirmed the Superior Court's findings. The Agency thereupon elected to proceed with the execution of the Project despite appeal by the plaintiffs to the State Supreme Court. In September 1964, the State Supreme Court upheld the previous decisions.

## **Project Description**

The 59-acre site encompasses 14 blocks and is situated to the west of the downtown business district. It is bounded on the north by Santa Clara Street and on the south by San Carlos Street, both major thoroughfares extending generally parallel on an east-west course into the downtown area. The western perimeter is formed by the Guadalupe River and the Guadalupe Freeway which provides direct access from the Project area north to the civic center, the Municipal Airport and U. S. Route 101, and three blocks to the south of the Project area form an interchange with Interstate Route 280-680, an east-west freeway. The eastern boundary, Market Street, forms the western boundary of the adjoining San Antonio Plaza Redevelopment Project.

The Project is located within the portion of the central business district which is just west of the core area. Its westernmost boundary forming a natural buffer is the Guadalupe River. Landscape artists responsible for the design of Ghirardelli Square in San Francisco have designed a plan for a park on the Guadalupe which captures the flavor of Copenhagen's Tivoli Gardens, Ghirardelli Square,

San Antonio Parkway in Texas and the waterways of Venice. The park is planned to extend along the river through downtown San Jose from Julian Street on the north to Interstate 280-680 on the south. The Guadalupe Freeway (Interstate Route 87) will be elevated and will pass just to the west of the Guadalupe River on a north-south course paralleling the river to form an interchange with Interstate 280-680 three blocks south of the Project area.

The Civic Auditorium is located in the southeast corner of the Project area. This facility includes a main arena with seating for about 2,000 for major athletic events, stage and musical shows, conventions, arena type shows and displays. The Montgomery Theatre along the east wing is available for meetings, convention use and stage shows with seating capacity for 600.

In addition to new development within the Project area itself, as detailed under the subsequent heading "Project Development", the Project has been a catalyst in attracting new development in surrounding areas within downtown San Jose. A number of major new buildings have been constructed within five blocks of the Project area, including the main City Library, a six-story \$3.5 million structure containing 112,000 square feet; the Community Bank building, a twelve-story \$2.4 million structure erected in 1963; the Security Savings and Loan building, six stories high, also completed in 1963 at a cost of \$1.2 million; the ten-story Great Western Savings and Loan Association building, which was constructed in 1965 at a cost of \$3 million; the Pacific Telephone Company's \$2 million central exchange building consisting of five main floors and an eight-story tower built in 1967; the San Jose Plaza Building consisting of two 14-story towers at a total cost of \$8 million and completed in 1972; the Crocker National Bank building, completed in 1975 at a cost of \$3 million; and the \$3 million First National Bank Plaza to be completed in 1977.

## **Project Area Land Use and Building Restrictions**

The general land uses are shown in the Project Land Use Plan on page 34. Parcels A, B, C and E are to be devoted to commercial use. Parcel D is for public building use upon which the Community Theatre is located. Parcels F and H are designated for public open space and public park, with residential as their alternate use. Parcel G is being used for a freeway to accommodate State Route 87, the Guadalupe Freeway. Parcel J is devoted to institutional use



and is the present site of St. Joseph's School, owned by the Roman Catholic Welfare Corporation of San Francisco. An alternate use, upon Agency approval, is commercial use. The Convention Center and Exhibit Hall complex is located on Parcel L.

Following is a summary of the proposed land usage by the designated classification. Of the total 42.3 acres, excluding streets, approximately 23.1 acres, or about 64% of the Park Center Project, is intended for private development, producing Tax Revenues pledged to the Bonds.

#### Current Proposed Land Use

| Use                   | Land Area<br>(Acres) |
|-----------------------|----------------------|
| Commercial .....      | 23.1                 |
| Freeway .....         | 4.3                  |
| Public Building ..... | 10.0                 |
| Institutional .....   | 2.5                  |
| Public Park .....     | 2.4                  |
| Total .....           | 42.3                 |

The commercial area may contain stores and shops, offices and banks, hotels and motels, personal and business services, restaurants (other than drive-in types), entertainment facilities including movie theatres and night clubs, and offstreet parking facilities. There is no limitation as to the number of buildings, but each structure is restricted to a height of 200 feet and a maximum floor area to site area ratio of four to one except that for each one percent of land coverage less than 80%, the allowable floor area ratio may, at the discretion of the Agency, be increased by an increment of .05 to one. In no event shall the floor area to site area ratio exceed five to one.

The Developer, Wolff-Sesnon Development Company, is required to provide offstreet short-term parking, plus a percentage of long-term parking, at a total ratio of approximately one space per 1,000 square feet of office space. The exact number of spaces is determined jointly with the Developer, Agency and city to assure conformance with city parking requirements for the central business district.

Public area buildings or structures cannot exceed 200 feet in height and offstreet parking structures are limited to 20 feet in height.

Institutional areas include buildings, grounds, parking and service uses related to the operation of

a school or residential facilities related to education. Structures are limited to 80 feet in height, and one parking space must be provided for each teacher and employee.

#### Estimated Project Costs

In accordance with the Plan and the Cooperation Agreement entered into between the city and the Agency, the city will widen and reconstruct certain streets, to include paving, sidewalks and landscaping, install traffic signals and street lights, reconstruct bridges over the Guadalupe River at San Fernando Street and Park Avenue, relocate and install fire hydrants and alarm system, and develop a public park and community theater. Costs for these improvements, eligible as non-cash Grants-in-Aid, are being met from annual appropriations and from proceeds of general obligation bonds, joint powers authority lease revenue bonds and Tax Allocation Bonds. To date, the amount of expenditures for which the Agency has taken credit as eligible non-cash Grants-in-Aid totals approximately \$4,087,619, (of a total \$5,006,000 currently estimated) although actual expenditures for such improvements are much higher in some cases.

The Loan and Capital Grant Contract with the Federal Government has been amended several times since it was first approved in December 1961 as additional costs have been incurred and actual expenses in several categories determined. The latest revision to the Loan and Capital Grant Contract was on October 27, 1975.

The tabulation below summarizes current estimated Project costs, based on the current Project Financial Budget.

#### PARK CENTER REDEVELOPMENT PROJECT

##### Total Estimated Project Costs and Sources of Funds

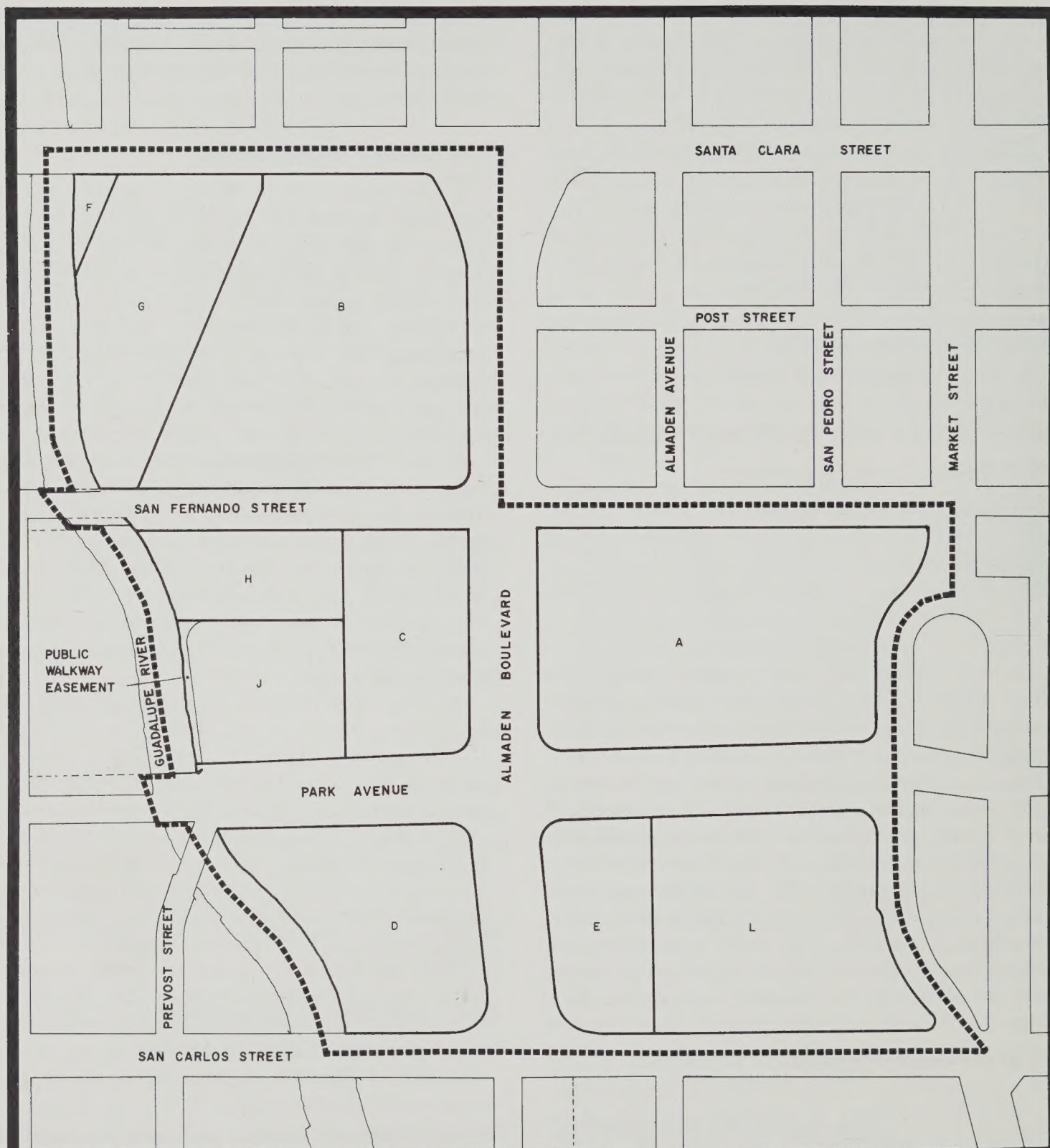
###### Estimated Costs:

|                          |                     |
|--------------------------|---------------------|
| Gross project cost ..... | \$19,368,000        |
| Less: Land sales .....   | 7,105,000           |
| Net project cost .....   | <u>\$12,263,000</u> |

###### Sources of Funds:

|                             |                     |
|-----------------------------|---------------------|
| Federal capital grant ..... | \$ 7,032,000        |
| Local cash grants .....     | 225,000             |
| Local non-cash grants ..... | 5,006,000           |
| Total fund sources .....    | <u>\$12,263,000</u> |





# PARK CENTER PROJECT

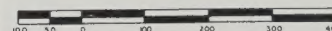
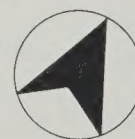
## LAND USE PLAN

|                     |                     |
|---------------------|---------------------|
| A COMMERCIAL        | F PUBLIC PARK       |
| B COMMERCIAL        | G FREEWAY           |
| C COMMERCIAL        | H PUBLIC PARK       |
| D PUBLIC FACILITIES | J INSTITUTIONAL     |
| E COMMERCIAL        | L PUBLIC FACILITIES |

----- PROJECT BOUNDARY

### NOTES

1. THE EXACT DIMENSIONS AND ALIGNMENTS OF PARCEL LINES WILL BE DETERMINED BEFORE THE TIME OF DISPOSITION OF LAND.
2. ALTERNATE USES; SUBJECT TO AGENCY APPROVAL.  
PARCEL 'J' MAY BE USED FOR EITHER RESIDENTIAL OR COMMERCIAL.



REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE, CALIFORNIA



## 1977 Bond Expenditures

Proceeds received from the sale of the 1977 Tax Allocation Bonds currently offered for sale, together with moneys available in funds created pursuant to Resolution No. 1459 of the Agency authorizing the \$7,400,000 Bonds of 1974, will be used to establish an escrow for the refunding of the outstanding Bonds of 1974, repay a city loan to the community theater, (\$1,115,000) to establish a new Bond Reserve and to provide approximately \$657,000 for additional improvements to the Project area, as shown in Table 3 below.

**Table 3**

### **PARK CENTER REDEVELOPMENT PROJECT 1977 Bonds Expenditure Budget Estimated Costs and Sources of Funds**

#### Estimated Costs:

|                                     |                     |
|-------------------------------------|---------------------|
| Escrow Fund for 1974 Bonds . . . .  | \$ 7,610,000        |
| Public Improvements:                |                     |
| Repay city loan . . . . .           | 1,115,000           |
| Old Almaden Mall . . . . .          | 570,000             |
| Traffic signals . . . . .           | 100,000             |
| Landscaping . . . . .               | 72,516              |
| Administration . . . . .            | 15,000              |
| Reserve Account . . . . .           | 651,375             |
| Allowance for Bond discount . . . . | 289,500             |
| Financing incidentals . . . . .     | 150,000             |
| Total . . . . .                     | <u>\$10,573,391</u> |

#### Sources of Funds:

|                                                          |                     |
|----------------------------------------------------------|---------------------|
| 1977 Tax Allocation Bonds . . . . .                      | \$ 9,650,000        |
| 1974 Bonds Reserve Account and<br>Reserve Fund . . . . . | 923,391             |
| Total . . . . .                                          | <u>\$10,573,391</u> |

## Project Development

The Agency entered into an agreement for the disposition of Project land in September 1966 with the San Jose Center Corporation. In 1971, interests under this Disposition and Development Agreement were transferred to Wolff-Sesnon Development Company, a partnership formed by Lewis N. Wolff, Jackson K. Sesnon, the same individuals who headed the San Jose Center Corporation, and a new partner, David W. Mitchell.

Lewis N. Wolff, managing partner of Wolff-Sesnon Development Company, has an extensive background in real estate and land development. Until August

1973, Mr. Wolff served as Board Chairman to Development Research Associates, the economic research company which he co-founded in 1963. Aside from the major development in San Jose, Mr. Wolff is working in other cities in urban renewal and private developments, both commercial and residential.

Jackson K. Sesnon is a principal partner of Wolff-Sesnon Development Company. He has an extensive background in government finance and private investment, having served as an assistant to a U.S. Congressman in Washington, D.C. and, upon leaving public service, joined a San Francisco investment banking firm. For several years Mr. Sesnon has managed his family's extensive real estate, oil and ranching holdings throughout the United States.

Initial development was assured on December 3, 1968 when the Developers presented the Agency with checks totaling \$1,255,567.50 for two sites in Parcel A, the block bounded by San Fernando Street on the north, Market Street on the east, Park Avenue on the south and Vine Street on the west. Site 1 was acquired for the construction of the San Fernando Street structure which includes a five-story office building, four commercial kiosks and a two-story office building on a plaza over a 324-stall parking garage. This complex provides approximately 160,000 square feet of office space. These structures, designed by the architectural firm of Victor Gruen Associates of Los Angeles, were constructed at a cost of \$4.5 million and were completed in June 1970. The tabulation on the following page summarizes to date the following major structures which have been built within the Project area and are reflected in the 1976/77 assessment rolls.

These developments provide the major portion of the incremental assessed valuation for the Project area of \$7,545,326 in 1976/77. Assuming an assessment ratio of 25% of full value, the market value of all Project area improvements since the base year, is \$30,181,304.

In addition to the aforementioned, two new developments have been completed within the Project area since March 1, 1976 and will be included in the 1977/78 assessment rolls. These are the \$1,250,000 Japan California Bank; and a \$500,000 addition to the Supreme Court Athletic Club. Also, an \$800,000 parking garage adjacent to the Holiday Inn will be completed in Spring 1977. The combined estimated market value of these three developments of \$2,550,000 will result in increases in Project assessed valuation of approximately \$437,500 in 1977/78,



and \$200,000 in 1978/79, increasing the Project incremental assessed valuation to \$8,182,826 by 1978/79. The Agency estimates total private investment in the Project will reach \$75,000,000 upon completion of all redevelopment activities. For purposes of this official statement, however, it has been assumed that no additional private development will occur other than that which is complete or actually in progress.

## Environmental Considerations

The original Park Center Redevelopment Project Redevelopment Plan was not subject to the provisions of the California Environmental Quality Act (Public Resources Code of the State of California, Section 21000 et seq.) at the time of its approval by the City Council of the City of San Jose. Such approval preceded the application of various provisions of such Act to public projects which require the preparation of an Environmental Impact Report and the filing of a Notice of Determination with the County Clerk. However, when the boundaries were expanded for Parcel L (pursuant to the Fifth Amendment to the Plan), an Environmental Impact Report was prepared and certified final and was adopted by the Agency on December 20, 1973. The Notice

of Determination was filed with the Santa Clara County Clerk on March 1, 1974.

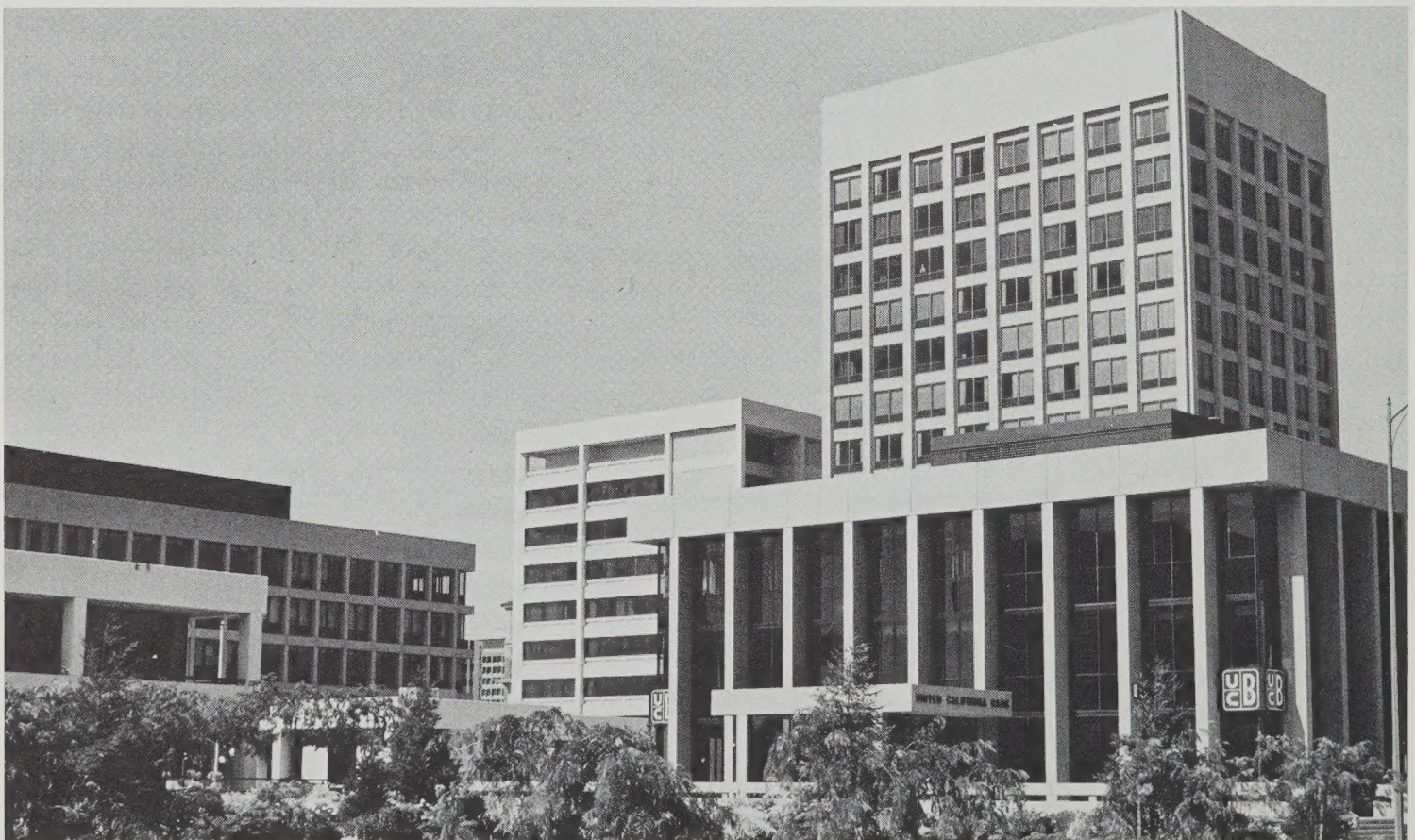
## PARK CENTER REDEVELOPMENT PROJECT

### Project Development

| Development                                         | Completion Date | Estimated Market Value upon Completion |
|-----------------------------------------------------|-----------------|----------------------------------------|
| San Fernando (5 stories) ...                        | 1970            | \$ 5,500,000                           |
| Wells Fargo Bank (9 stories) .                      | 1970            | 3,500,000                              |
| Bank of America (14 stories)                        | 1971            | 5,759,000                              |
| Bank of California (2 stories)                      | 1973            | 1,991,000                              |
| United California Bank<br>(2 stories) .....         | 1973            | 1,588,000                              |
| Wolff-Sesnon Garage .....                           | 1974            | 755,000                                |
| Security Pacific National Bank<br>(2 stories) ..... | 1974            | 1,205,000                              |
| Holiday Inn (240 rooms) ...                         | 1974            | 2,481,000                              |
| Pacific Gas & Electric Co.<br>(8 stories) .....     | 1975            | 2,512,000                              |
| Supreme Court Athletic Club .                       | 1975            | 345,000                                |
| Sanwa Bank .....                                    | 1976            | 1,085,000                              |
| Total .....                                         |                 | \$26,721,000                           |

Source: Redevelopment Agency of City of San Jose.

Park Center Plaza, located within the Project area.





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# ESTIMATED TAX REVENUE AND BOND RETIREMENT SCHEDULE

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## Estimated Tax Revenues

All Tax Revenues (as previously defined) derived from the levy and collection of taxes on any increase in the assessed valuation of land, improvements, public utility and all other taxable property in the Project over and above the 1961/62 frozen base roll established by the county for such property are to be deposited in the Park Center Redevelopment Project Special Fund on and after April 1, 1977, and applied by the Fiscal Agent to the payment of interest and principal on the 1977 Bonds. If on each April 1 the balance on deposit in the Special Fund exceeds Bond interest and principal payments coming due within the then current fiscal year, the Fiscal Agent may transfer such excess to the Agency under the conditions specified in the Resolution and set forth in "The Bonds" section of this official statement.

Each annual levy of property taxes is made at the then applicable rate, but for the purpose of estimating future tax receipts and calculating an estimated Bond retirement schedule, the projection of Tax Revenues available for payment of Bond interest and principal is based on the 1976/77 tax rate applicable to the 1976/77 incremental assessed valuation of the Project. The Project is within one tax code area with an aggregate tax rate of \$11.804 per \$100 assessed valuation. The incremental assessed valuation on all property amounts to \$7,545,326 (\$8,976,606 valuation for 1976/77, less 1961/62 base year valuation of \$1,431,280, both as reported by the county). By application of the \$11.804 tax rate to the \$7,545,326 incremental assessed valuation, the Project will generate \$890,646 of Tax Revenues in the current 1976/77 fiscal year. In addition, there is incremental assessed valuation of \$7,002,405 on land and improvements only within the Project, to which a 1976/77 tax rate of \$.088 per \$100 assessed valuation is applicable. This will generate \$6,162 of Tax Revenues which, when added to the aforementioned \$890,646 generated by the incremental assessed valuation of all property, results in total Tax Revenues of \$896,808 in 1976/77.

As discussed on pages 35-36 of this official statement, it is anticipated that Project incremental assessed valuation on all property will increase \$437,500 in 1977/78 and \$200,000 in 1978/79 due to developments recently completed or under construction, resulting in a total incremental assessed valuation of \$8,182,826 by 1978/79 and in each subsequent fiscal year. At this level, and assuming



continuation of the 1976/77 tax rate on all property of \$11.804, the Tax Revenues of \$972,062 (\$965,900 from all property plus \$6,162 from land and improvements only) generated will cover assumed average annual debt service on the Bonds by about 1.20 times (see Table 4 on page 39). It is anticipated by the Agency that additional development will occur in the Project in future years but no projections of such development or resulting incremental assessed valuation have been made for the above computations.

Santa Clara County currently assesses taxable property within the Project at an average ratio of 26.5 percent of full value (except public utility property which is assessed by the State Board of Equalization at 25 percent of full value). In accordance with state statutory provisions any new construction (including utility property) must be assessed at 25 percent of full value. Property carried on the local secured, unsecured and utility rolls is assessed to the owner of record as of each March 1 preceding the fiscal year commencing the next following July 1. Unsecured property taxes are due on the lien date and are payable by the next following August 31, while local secured and utility property taxes are due, one-half, on November 1 and February 1 of each fiscal year and become delinquent on December 10 and April 10, respectively. Tax Revenues are currently allocated to redevelopment agencies in the county in the following manner: Local secured and utility tax allocations are made by June 1 of each fiscal year; unsecured tax allocations are made by March 1 of each fiscal year, and the allocation of delinquent taxes is made by September 1 of the fiscal year next following the year of levy. The estimated Bond retirement schedule presented in the following section is based upon the foregoing schedule of tax allocations to the Agency.

### **Estimated Bond Retirement**

Under the provisions of the Resolution, the Bonds will mature serially each April 1 in the years 1979 through and including 2003 in the amounts specified in "The Bonds" section of this official statement. As stated above and elsewhere herein, the Resolution permits withdrawal by the Agency of excess Tax Revenues from the Special Fund, subject to certain conditions precedent. The provisions of the Resolu-

tion require that the Fiscal Agent shall retain and accumulate each year in the Special Fund an amount equal to Bond interest and principal coming due within the then current fiscal year before any disbursements may be made to the Agency. In addition, the Resolution requires that the Fiscal Agent increase the Reserve Account (established initially from Bond proceeds in an amount equal to maximum annual interest on the Bonds) to maximum annual Bond service from the first available Tax Revenues. No disbursements of surplus funds may be made to the Agency unless the required deposits have been made made to the Interest, Principal and Reserve Accounts.

Should the Agency issue any additional series of authorized bonds, such issue would be subject to the terms of the Resolution and as summarized in "The Bonds" section of this official statement. The Agency does not anticipate issuing additional bonds on behalf of the Project in the foreseeable future.

Table 4 does not reflect the initial deposit into the Reserve Account from Bond proceeds (maximum annual interest requirements on the Bonds), since this amount is to be retained therein and, unless needed to cover any unanticipated deficiency in the Tax Revenues, will not be used until applied to the last payment of interest and principal on the 1977 Bonds (or additional bonds).

The estimates presented in Table 4 do not take into account interest earnings on the Redevelopment Fund or the Special Fund which in practice will be invested in accordance with the provisions of the Resolution. To the extent that such investment income becomes available, the retirement of principal through purchase or call might be accelerated over the retirement schedules presented in Table 4.

Estimated Tax Revenues are believed to be sufficient to meet all interest and principal requirements on the Bonds at the present level of Project development. It is believed that the Project is fully self-supporting (as to the payment of interest and principal on the 1977 Bonds) from Tax Revenues that will be derived from the current 1976/77 assessed valuation of the Project (and anticipated increases in the next two fiscal years from construction recently completed or currently in progress) and at the 1976/77 aggregate tax rate applicable to property located within the Project.



Table 4

## REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

## \$9,650,000 Park Center Redevelopment Project, 1977 Tax Allocation Bonds

## Estimated Debt Retirement and Cash Flow Schedule

| Year<br>Ending<br>April 1 | Estimated<br>Tax Revenue <sup>①</sup> | Bonds<br>Outstanding <sup>②</sup> | Interest<br>Estimated<br>@ 6¾ % | Principal<br>Retired | Total<br>Bond<br>Service | Annual<br>Balance<br>in Special<br>Fund <sup>③</sup> |
|---------------------------|---------------------------------------|-----------------------------------|---------------------------------|----------------------|--------------------------|------------------------------------------------------|
| 1978 .....                | \$948,455                             | \$9,650,000                       | \$ 651,375                      | \$ —                 | \$ 651,375               | \$130,805                                            |
| 1979 .....                | 972,062                               | 9,650,000                         | 651,375                         | 140,000              | 791,375                  | 180,687                                              |
| 1980 .....                | 972,062                               | 9,510,000                         | 641,925                         | 155,000              | 796,925                  | 175,137                                              |
| 1981 .....                | 972,062                               | 9,355,000                         | 631,463                         | 170,000              | 801,463                  | 170,599                                              |
| 1982 .....                | 972,062                               | 9,185,000                         | 619,987                         | 185,000              | 804,987                  | 167,075                                              |
| 1983 .....                | 972,062                               | 9,000,000                         | 607,500                         | 205,000              | 812,500                  | 159,562                                              |
| 1984 .....                | 972,062                               | 8,795,000                         | 593,663                         | 220,000              | 813,663                  | 158,399                                              |
| 1985 .....                | 972,062                               | 8,575,000                         | 578,812                         | 235,000              | 813,812                  | 158,250                                              |
| 1986 .....                | 972,062                               | 8,340,000                         | 562,950                         | 250,000              | 812,950                  | 159,112                                              |
| 1987 .....                | 972,062                               | 8,090,000                         | 546,075                         | 265,000              | 811,075                  | 160,987                                              |
| 1988 .....                | 972,062                               | 7,825,000                         | 528,188                         | 285,000              | 813,188                  | 158,874                                              |
| 1989 .....                | 972,062                               | 7,540,000                         | 508,950                         | 305,000              | 813,950                  | 158,112                                              |
| 1990 .....                | 972,062                               | 7,235,000                         | 488,362                         | 325,000              | 813,362                  | 158,700                                              |
| 1991 .....                | 972,062                               | 6,910,000                         | 466,425                         | 350,000              | 816,425                  | 155,637                                              |
| 1992 .....                | 972,062                               | 6,560,000                         | 442,800                         | 370,000              | 812,800                  | 159,262                                              |
| 1993 .....                | 972,062                               | 6,190,000                         | 417,825                         | 395,000 <sup>④</sup> | 812,825                  | 159,237                                              |
| 1994 .....                | 972,062                               | 5,795,000                         | 391,163                         | 425,000 <sup>④</sup> | 816,163                  | 155,899                                              |
| 1995 .....                | 972,062                               | 5,370,000                         | 362,475                         | 450,000 <sup>④</sup> | 812,475                  | 159,587                                              |
| 1996 .....                | 972,062                               | 4,920,000                         | 332,100                         | 485,000 <sup>④</sup> | 817,100                  | 154,962                                              |
| 1997 .....                | 972,062                               | 4,435,000                         | 299,362                         | 515,000 <sup>④</sup> | 814,362                  | 157,700                                              |
| 1998 .....                | 972,062                               | 3,920,000                         | 264,600                         | 550,000 <sup>④</sup> | 814,600                  | 157,462                                              |
| 1999 .....                | 972,062                               | 3,370,000                         | 227,475                         | 590,000 <sup>④</sup> | 817,475                  | 154,587                                              |
| 2000 .....                | 972,062                               | 2,780,000                         | 187,650                         | 630,000 <sup>④</sup> | 817,650                  | 154,412                                              |
| 2001 .....                | 972,062                               | 2,150,000                         | 145,125                         | 670,000 <sup>④</sup> | 815,125                  | 156,937                                              |
| 2002 .....                | 972,062                               | 1,480,000                         | 99,900                          | 715,000 <sup>④</sup> | 814,900                  | 157,162                                              |
| 2003 .....                | 972,062                               | 765,000                           | 51,638                          | 765,000 <sup>④</sup> | 816,638                  | 155,424                                              |
| Totals .....              |                                       |                                   | \$11,299,163                    | \$9,650,000          | \$20,949,163             |                                                      |

① Based on Tax Revenues currently being generated by the Project (\$896,808) plus anticipated increases in 1977/78 and 1978/79 resulting from new development completed or under construction, as discussed previously.

② Prior to retirement of principal in each indicated year.

③ Assumes transfer of \$166,275 to the Reserve Account in 1978 to increase said account balance to maximum annual Bond service. Does not reflect permitted application of Reserve Account balance to final payments of principal and/or interest. The indicated annual balance in the Special Fund may be transferred to the Redevelopment Fund at the Agency's request, providing all required deposits have been previously made in that particular year. Indicated annual balances may be treated as Surplus and be withdrawn by the Agency and used for any lawful purpose.

④ Callable on or after April 1, 1992.



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# CITY FINANCIAL DATA

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*The Bonds are not a debt of the City of San Jose and the following city financial data are included only for the purposes of providing general information.*

## Assessed Valuations

The City of San Jose uses the facilities of Santa Clara County for the assessment and collection of taxes for city purposes. City taxes are collected at the same time and on the same tax rolls as are county, school district, and special district taxes. Assessed valuations of properties are the same for both city and county taxing purposes. The California State Board of Equalization reports the 1976/77 Santa Clara County valuations average 26.5 percent of full value except for public utility property, which is assessed at 25 percent of full cash value by the state.

The California State Legislature adopted two types of state-reimbursed exemptions beginning in the tax year 1969/70. The first currently exempts 50 percent of the assessed valuation of business inventories from taxation. The second exemption currently provides a credit of \$1,750 of the assessed valuation of an owner-occupied dwelling for which application has been made to the county assessor.

Revenue estimated to be lost to local taxing agencies due to the above exemptions is reimbursed from state sources. Reimbursement is based upon total taxes due upon such exempt values and therefore is not reduced by any amount for estimated delinquencies. The tabulations below and on the next page present the city's 1976/77 assessed valuation before and after provision for state-reimbursed exemptions, and a summary of assessed valuation growth since 1967/68.

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## CITY OF SAN JOSE

### 1976/77 Assessed Valuation

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| Roll            | Net Assessed<br>Valuation | State-<br>reimbursed<br>Exemptions | Assessed<br>Valuation for<br>Revenue<br>Purposes |
|-----------------|---------------------------|------------------------------------|--------------------------------------------------|
| Secured . . .   | \$1,683,547,802           | \$224,012,610                      | \$1,907,560,412                                  |
| Unsecured .     | 149,337,790               | 44,966,790                         | 194,304,580                                      |
| Utility . . . . | 86,303,250                | —                                  | 86,303,250                                       |
| Total .         | \$1,919,188,842           | \$268,979,400                      | \$2,188,168,242                                  |

Source: Santa Clara County Auditor-Controller.

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## CITY OF SAN JOSE

### Assessed Valuations

| Fiscal Year   | Assessed Valuation |
|---------------|--------------------|
| 1967/68 ..... | \$ 782,547,270     |
| 1968/69 ..... | 872,303,840        |
| 1969/70 ..... | 989,582,880*       |
| 1970/71 ..... | 1,120,602,440*     |
| 1971/72 ..... | 1,221,681,210*     |
| 1972/73 ..... | 1,336,131,390*     |
| 1973/74 ..... | 1,445,126,457*     |
| 1974/75 ..... | 1,610,496,253*     |
| 1975/76 ..... | 1,889,768,313*     |
| 1976/77 ..... | 2,188,168,242*     |

\*Before deduction of State-reimbursed exemptions (first in effect in 1969/70).

Source: County Auditor-Controller.

### Tax Rates, Secured Tax Levies, and Delinquencies

The 1976/77 City tax rate of \$1.628 per \$100 assessed valuation is comprised of \$1.350 for general City purposes and \$0.278 for general obligation bond purposes. Under the present City Charter and state legislation, the maximum tax rate for general City purposes is \$1.35 per \$100 assessed valuation.

Tax Code Area 40-001 (1976/77 assessed valuation \$296,565,579) is the largest in terms of assessed valuation in the city. Total tax rates per \$100

assessed valuation in Code Area 40-001 for all purposes for the past five years are presented at the bottom of the page.

The following tabulation presents a ten-year summary of the city's secured tax levies, and current secured tax delinquencies. During the period, the current rate of secured tax delinquency averaged a very favorable 1.88 percent per annum.

## CITY OF SAN JOSE

### Secured Tax Levies and Delinquencies

| Fiscal Year | City Secured Levy | Amount Delinquent June 30 | Percent Delinquent June 30 |
|-------------|-------------------|---------------------------|----------------------------|
| 1966/67 ..  | \$13,160,177      | \$322,187                 | 2.45%                      |
| 1967/68 ..  | 14,799,690        | 236,899                   | 1.60                       |
| 1968/69 ..  | 15,532,567        | 379,365                   | 2.44                       |
| 1969/70 ..  | 16,631,609        | 452,986                   | 2.72                       |
| 1970/71 ..  | 18,575,068        | 300,032                   | 1.62                       |
| 1971/72 ..  | 19,716,701        | 330,571                   | 1.68                       |
| 1972/73 ..  | 21,120,517        | 311,354                   | 1.47                       |
| 1973/74 ..  | 20,827,718        | 372,129                   | 1.79                       |
| 1974/75 ..  | 22,581,359        | 362,386                   | 1.60                       |
| 1975/76 ..  | 25,037,539        | 345,575                   | 1.38                       |

Source: Santa Clara County Auditor-Controller.

### Principal Taxpayers

The tabulation on the next page presents the ten principal property taxpayers in the City of San Jose and the secured roll assessed valuation of each.

## TAX CODE AREA 40-001

### Total Tax Rates

|                                           | 1972/73  | 1973/74  | 1974/75  | 1975/76  | 1976/77  |
|-------------------------------------------|----------|----------|----------|----------|----------|
| City of San Jose .....                    | \$ 1.847 | \$ 1.824 | \$ 1.785 | \$ 1.705 | \$ 1.628 |
| Santa Clara County .....                  | 2.626    | 2.626    | 2.626    | 2.596    | 2.471    |
| Schools .....                             | 7.326    | 7.963    | 8.266    | 8.036    | 7.527    |
| Flood Control .....                       | .190     | .190     | .191     | .161     | .161     |
| Bay Area Air Pollution .....              | .018     | .017     | .016     | .016     | .017     |
| Total, All Property ..                    | \$12.007 | \$12.620 | \$12.884 | \$12.514 | \$11.804 |
| Land and Improvements only:               |          |          |          |          |          |
| Water Importation and Flood Control ..... | .086     | .086     | .088     | .088     | .088     |
| Total, All Rates ....                     | \$12.093 | \$12.706 | \$12.972 | \$12.602 | \$11.892 |

Source: Santa Clara County Auditor-Controller.



## CITY OF SAN JOSE

### Principal Taxpayers\*

| Firm                                | 1976/77<br>Secured<br>Assessed<br>Valuation |
|-------------------------------------|---------------------------------------------|
| IBM .....                           | \$83,317,544                                |
| Pacific Telephone Company .....     | 58,544,470                                  |
| Pacific Gas and Electric Company .. | 23,852,210                                  |
| Eastridge Shopping Center .....     | 12,722,043                                  |
| General Electric Company .....      | 12,641,254                                  |
| FMC Corporation .....               | 8,663,653                                   |
| Southern Pacific Company .....      | 4,272,700                                   |
| Valley Fair Shopping Center .....   | 3,282,000                                   |
| Stauffer Chemical Company .....     | 3,013,416                                   |
| Town and Country Shopping Center .  | 2,329,720                                   |

\*Derived from a visual inspection of the Santa Clara County Secured Tax Roll. The above are minimum values.

Sources: State Board of Equalization (utility values) and Santa Clara County Assessor (other values).

## Revenues and Expenditures and Fund Balance

Table 5 below presents a summary of general revenues and expenditures for the City of San Jose over the past five years, as reported by the city's Finance Department to the State Controller in accordance with State law. The following "enterprise funds" are excluded from the tabulation: Municipal Water System, Sewer System, Off-Street Parking, Airport, Convention & Cultural Center, and Municipal Golf Course.

The audited General Fund balance as of June 30, 1976 was \$3,560,108, as compared to \$3,466,510 as of June 30, 1975.

### Retirement System

There are two principal retirement systems covering San Jose city employees. These are the Federated City Employees' Retirement System and the Police & Fire City Employees' Retirement System. A third plan currently covers only four redevelopment

Table 5

## CITY OF SAN JOSE

### Summary of Revenues and Expenditures

|                             | 1971/72      | 1972/73      | 1973/74       | 1974/75       | 1975/76       |
|-----------------------------|--------------|--------------|---------------|---------------|---------------|
| <b>REVENUES:</b>            |              |              |               |               |               |
| Property Taxes .....        | \$21,886,860 | \$23,298,069 | \$ 22,474,610 | \$ 24,517,121 | \$ 27,327,995 |
| Other Taxes .....           | 16,963,093   | 21,007,439   | 25,525,789    | 28,475,404    | 33,203,827    |
| Licenses and Permits .....  | 1,274,926    | 1,355,149    | 1,346,951     | 1,659,936     | 2,119,623     |
| Fines and Penalties .....   | 1,395,640    | 1,385,052    | 1,386,507     | 1,742,540     | 1,883,942     |
| Use of Money and Property . | 2,518,857    | 2,703,543    | 4,528,844     | 6,753,688     | 5,478,216     |
| From Other Agencies .....   | 19,598,575   | 31,347,761   | 26,398,656    | 26,201,234    | 34,660,968    |
| Current Services .....      | 9,051,666    | 10,402,184   | 10,216,966    | 16,415,122    | 14,376,126    |
| Other Revenue .....         | 4,354,103    | 4,515,208    | 8,162,490     | 5,029,097     | 4,709,557     |
| Total .....                 | \$77,043,720 | \$96,014,405 | \$100,040,813 | \$110,794,142 | \$123,760,254 |
| <b>EXPENDITURES:</b>        |              |              |               |               |               |
| General Government .....    | \$25,764,475 | \$28,555,545 | \$ 31,904,008 | \$ 35,151,209 | \$ 40,804,935 |
| Public Safety .....         | 19,615,654   | 22,867,311   | 25,715,637    | 29,060,950    | 33,076,216    |
| Public Works .....          | 9,114,581    | 10,583,077   | 12,245,287    | 14,108,277    | 17,040,321    |
| Health .....                | 308,986      | 378,818      | 417,519       | 453,148       | 715,541       |
| Library .....               | 1,758,006    | 2,536,535    | 2,734,524     | 3,289,219     | 3,605,452     |
| Parks and Recreation .....  | 4,106,376    | 4,707,398    | 5,210,674     | 6,408,171     | 7,692,595     |
| Other .....                 | 329,831      | 770,771      | 236,024       | 398,004       | 1,030,278①    |
| Capital Outlays .....       | 14,401,937   | 16,513,423   | 13,101,694    | 16,586,181    | 19,891,376    |
| Total .....                 | \$75,399,846 | \$86,912,878 | \$ 91,565,367 | \$105,455,159 | \$123,856,714 |

Source: City Finance Department as reported to State Controller.

① Includes \$788,255 contribution to Redevelopment Agency for housing and rehabilitation activities.



agency employees. The discussion below will be limited to the two principal systems, covering virtually all city employees, including 13 assigned full-time to the redevelopment agency. Membership is mandatory for all full-time employees.

Both plans require the city to account for all retirement system transactions in both a Retirement Fund and a Cost of Living Fund. The plans are financed by employee payroll deductions and by city contributions. Current service costs are shared by city and member employees in the rate of \$8 from the city and \$3 from the employee. Employee contributions to the Federated and Police & Fire systems are currently 6.8% and 6.59% of base salary, respectively; City contributions are 17.71% and 23.38% of a member's base salary, respectively. Investments of both systems are held by Wells Fargo Bank, N.A.

The most recent actuarial study of the Federated system was as of June 30, 1975, at which time the excess of the present value of future benefits over system current assets was \$80,100,000. The most recent actuarial study for the Police & Fire system was as of June 30, 1974, and reported an excess of present value of future benefits over system current assets of \$115,800,000. The Board of Administration for the entire Retirement System has continually increased contribution rates of both the city and employees to provide sufficient funds to meet retirement system needs. The aforementioned actuarial studies are based on assumptions about the future but comparison of actual events with said assumptions have not been performed and changes in contribution rates have not been based solely on such studies.

The tabulation opposite summarizes for the past three years the number of employees and annual city contributions to the two principal retirement systems, as well as the plan covering the four redevelopment agency employees.

## Deferred Compensation

In September 1975 a deferred compensation plan was implemented which permits employee members to defer their income tax on earnings withheld until received at some later date. The plan is voluntary, self-supporting and completely funded by its members.

## CITY OF SAN JOSE

### Retirement Systems

| System                                    | Calendar<br>1973 | Calendar<br>1974 | Jan. 1975-<br>June 1976 |
|-------------------------------------------|------------------|------------------|-------------------------|
| <i>Federated:</i>                         |                  |                  |                         |
| No. employees                             | 1,786            | 2,151            | 2,730                   |
| City contribution . . . . .               | \$2,252,000      | \$2,623,000      | \$6,683,193             |
| <i>Police &amp; Fire:</i>                 |                  |                  |                         |
| No. employees                             | 1,225            | 1,260            | 1,360                   |
| City contribution . . . . .               | \$3,266,130      | \$3,501,069      | \$6,660,000             |
| <i>Redevelopment Agency:</i> <sup>①</sup> |                  |                  |                         |
| No. employees                             | 32               | 29               | 4                       |
| City contribution . . . . .               | \$ 23,110        | \$ 23,289        | \$ 10,122 <sup>②</sup>  |

① Under contract with Southwestern Life Insurance Company.

② At beginning of year, 17 employees were covered, now 4 covered.

Source: City Finance Department.

Accrued vacation, compensated time off and sick time are not recorded as liabilities in the city financial records.

## Bonded Debt

As of the sale date of the Bonds currently offered, the City of San Jose will have \$62,774,000 outstanding general obligation bonds, of which \$20,989,000 are self-supporting from sewer charges.

In addition, the city will have outstanding \$9,709,000 in revenue bonds issued to finance parking, water system improvements and airport improvements. These are supported entirely by revenues from the particular enterprise for which they were issued.

Also, the city is obligated for annual lease payments as follows: (1) \$161,000 per year through fiscal 1993/94 for rental of a municipal golf course; (2) \$700,000 per year through fiscal 1991/92 for rental of the San Jose Center for the Performing Arts. Upon payment and expiration of the respective leases, ownership of all leased facilities will revert to the city.





Aerial photo of downtown San Jose taken in early 1976. The Park Center Redevelopment Project is outlined in the center of the photograph. In the immediate background is the San Jose Municipal Airport.



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## THE CITY

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The City of San Jose, county seat and largest city in Santa Clara County, is located at the southern extremity of San Francisco Bay, approximately 48 miles from San Francisco and 42 miles from Oakland. Population of the city exceeds 550,000, and is over two and one-half times the number of 1960 census residents. The city is the oldest in California, having developed from a Spanish pueblo established November 29, 1777. San Jose is now the center of a large and growing industrial and scientific complex.

The city encompasses 150 square miles, an increase of 14 square miles since 1970. The climate is mild because of protection afforded by the Diablo Range on the east and the Santa Cruz mountains to the west. Mean July temperature is 69.4 degrees and mean January temperature is 49.2 degrees. Precipitation averages 16.42 inches per year.

The San Jose Metropolitan Area includes all of Santa Clara County. The city and county rank among the leading metropolitan areas throughout

the nation in virtually all measurements of urban development. An important element in the growth of the area is the fact that over half of all households have net cash incomes of almost \$17,000, a reflection of the level of education and vocational skills.

Santa Clara County is one of nine counties bordering San Francisco Bay. Santa Clara leads all of them in population, manufacturing employment, total effective buying income, assessed value of taxable property, retail sales, number of telephones, residential construction, and public school enrollment. It ranks among the top Bay Area counties in virtually every other indicator of economic activity as well. In the essential economic determinants of population, employment, retail sales, and personal income, Santa Clara has been projected as the number one growth county through 1980 in Northern California by the Stanford Research Institute Center for the Continuing Study of the California Economy.

Metropolitan San Jose, although it has many ties to the San Francisco-Oakland urban complex, is rapidly developing a separate identity as a center for research, commerce, and industry.

### Municipal Government

The City of San Jose was incorporated March 27, 1850, and operates as a charter city, having had its first charter granted by the state in 1897. In 1916, another charter was adopted enabling the city to institute the council-manager form of government,

San Jose City Hall.





making it one of the first cities in the nation to take this step. The present charter became effective May 4, 1965.

The City Council consists of a Mayor and six Council Members elected at large for four-year terms. The City Manager is responsible for the operation of all municipal functions except the offices of City Attorney, City Clerk, and City Auditor. These officials are appointed by and carry out the policies set forth by the City Council.

The City of San Jose 1976/77 annual budget, including all funds and enterprises, is \$214,626,100, providing for more than 3,500 full-time employees and a total work force exceeding 4,300. The police department employs 980 and sworn officers are required to have a minimum of two years of college education. The fire department employs 615, operates 25 stations, and utilizes modern fire fighting and support equipment. Communications for police, fire, public works, and civil defense are now handled through the County Communications System.

Commissions performing a vital function in an advisory capacity to the City Council include Planning, Airport, Parks and Recreation, Civil Service, Fine Arts, Suggestion Award, Sports, Historic Landmarks, Public Solicitation, Human Relations, Affirmative Action, Senior Citizens, Library, and Youth.

Active in the development of San Jose are the Office of Economic Development and the Redevelopment Agency, both reporting to the City Manager.

## Population

The city's population as of January 1976 was estimated at 557,700 by the State Department of Finance, an increase of approximately 98,000, or 21 percent, over the April 1970 U.S. Census.

For the same date, the county's population was estimated at 1,178,000, a gain of 11 percent over the 1970 census figure. In recent years, about two-thirds of the 20,000 annual gain is traced to net immigration. This population change is in sharp contrast to patterns in the late fifties and early sixties, when annual population gains over 50,000 were not uncommon and those migrating to the county usually numbered 40,000 or more. In reporting recent population changes, the County Planning Department points to a long-term decrease in the birthrate and an apparent changing household composition of in-migrants.

The following tabulation summarizes population growth since 1940, based on reports of the U.S.

Census Bureau. Annexation of substantially vacant land allowed for the building of homes which accounts for a substantial share of the city's population increases since 1950.

## CITY OF SAN JOSE

### Population Statistics

| Year                    | City of San Jose | San Jose Metropolitan Area <sup>①</sup> |
|-------------------------|------------------|-----------------------------------------|
| 1940 <sup>②</sup> ..... | 68,457           | 174,949                                 |
| 1950 <sup>②</sup> ..... | 95,280           | 290,547                                 |
| 1960 <sup>②</sup> ..... | 204,196          | 642,315                                 |
| 1970 <sup>②</sup> ..... | 459,913          | 1,065,313                               |
| 1976 <sup>③</sup> ..... | 557,700          | 1,178,000                               |

① Includes entire Santa Clara County.

② U.S. Census.

③ State Department of Finance.

Santa Clara is the most populous of the nine counties bordering on San Francisco Bay. The City of San Jose is the second largest city in the San Francisco Bay Area, the fourth most populous in California, and 22nd in population nationwide.

The revised 1970 Census of Housing as shown in the following tabulation disclosed 139,759 housing units in the City of San Jose and 336,873 in Santa Clara County. In both the city and the county, 60 percent of all homes were owner-occupied.

## 1970 U.S. CENSUS OF HOUSING

|                            | City of San Jose | Santa Clara County |
|----------------------------|------------------|--------------------|
| All housing units .....    | 139,759          | 336,873            |
| Owner-occupied units ....  | 82,868           | 199,360            |
| Number specifying value    | 76,119           | 181,177            |
| Median value .....         | \$ 25,400        | \$ 27,300          |
| Renter-occupied units .... | 47,739           | 123,500            |
| Median contract rent ...   | \$ 135           | \$ 143             |

Median home value of \$27,300 and median rental of \$143 per month in Santa Clara County were the highest for any metropolitan area in California.

## Income and Commercial Activity

Santa Clara County ranks fifth among California counties in total personal income. The 1976 *Survey*



of *Buying Power*, published by Sales & Marketing Management, reports Santa Clara County in first place among Bay Area counties in net effective buying income, estimating the figure at \$7.534 billion, for year-end 1975. This is \$6,396 per capita compared with a state-wide figure of \$5,538. Median household income of \$16,804 is seventh highest nationwide and 27 percent above the median household income for the state. An estimated 20 percent of all households have incomes exceeding \$25,000, according to the survey.

The San Jose Metropolitan Area ranks fifth among the seventeen metropolitan areas in the state in total effective buying income, following Los Angeles-Long Beach, San Francisco-Oakland, Anaheim-Santa Ana-Garden Grove, and San Diego.

Bank debits in the City of San Jose for December 1975 (latest available full-year data) totaled more than \$3.3 billion, a gain of over 12 percent from December 1974. Bank deposits in the city as of December 31, 1975 were reported to be \$456,976,000 by the Federal Reserve Bank of San Francisco, compared with \$477,725,000 for the same date in 1974.

There are approximately 150 shopping centers in Metropolitan San Jose. Valley Fair, in the western part of the City, occupies 32.8 acres and has almost 600,000 square feet of store area. Among the tenants are such well-known retailers as Macy's, Joseph Magnin, Pay Less Drug Stores, F. W. Woolworth and others. Eastridge, a retail shopping complex which opened in 1971 in southeast San Jose, features Macy's, Sears, Liberty House and J. C. Penney Co. as principal tenants.

The City of San Jose generated taxable sales of over \$1.5 billion in 1975, reflecting the purchasing power of its residents. Taxable sales transactions in the city and in Metropolitan San Jose, including nonretail transactions, are reported by the State Board of Equalization. Taxable transactions in the city for 1975 increased more than seven percent over the previous year, while the county-wide gain was approximately the same amount. The City of San Jose accounts for over 38 percent of total taxable transactions in Santa Clara County, as shown in the summary in the column to the right.

There are 90 banking offices in the city, of which 26 are operated by the Bank of America and 14 by the First National Bank of San Jose. The latter was established in 1874. Within the city limits are 32 savings and loan branch offices.

## CITY OF SAN JOSE

### METROPOLITAN SAN JOSE

#### Taxable Transactions Since 1971

| Year          | City of San Jose | Metropolitan San Jose |
|---------------|------------------|-----------------------|
| 1971 .....    | \$ 917,485,000   | \$2,423,458,000       |
| 1972① .....   | 1,084,303,000    | 2,852,047,000         |
| 1973 .....    | 1,312,823,000    | 3,378,642,000         |
| 1974 .....    | 1,467,337,000    | 3,781,550,000         |
| 1975 .....    | 1,572,443,000    | 4,061,592,000         |
| 1976 (9 mos.) | 1,298,910,000    | 3,387,417,000         |

① Sales of gasoline for highway use became taxable July 1, 1972.

Source: State Board of Equalization.

A breakdown of 1975 taxable sales in the City of San Jose by type of outlet is presented in the following tabulation.

## CITY OF SAN JOSE

### Taxable Transactions 1975

(\$000 omitted)

| Type of Outlet                       | No. of Permits | Taxable Transactions① |
|--------------------------------------|----------------|-----------------------|
| Apparel stores .....                 | 279            | \$ 74,481             |
| General merchandise .....            | 97             | 247,619               |
| Drug stores .....                    | 95             | 25,358                |
| Food stores .....                    | 344            | 118,186               |
| Packaged liquor stores .....         | 122            | 33,271                |
| Eating and drinking places ..        | 785            | 127,043               |
| Home furnishings, appliances         | 217            | 51,907                |
| Building materials, implements ..... | 136            | 81,745                |
| Auto dealers, auto supplies .        | 226            | 190,494               |
| Service stations .....               | 366            | 134,014               |
| Other retail stores .....            | 810            | 143,135               |
| Total retail .....                   | 3,477          | 1,227,253             |
| All other outlets .....              | 6,316          | 345,190               |
| Total, all outlets ....              | 9,793          | \$1,572,443           |

① Excludes food for home consumption, prescription drugs, and other items. Gasoline for highway use became taxable July 1, 1972.

Source: State Board of Equalization.



## Employment

The San Jose Labor Market includes all of Santa Clara County. This area is a highly developed industrial, research, and educational center of employment for a labor force that ranks well above the average in educational attainment and income. According to 1970 Census data, more than 19.5 percent of the adult population in the county hold college degrees, and over 59 percent of the work force are classified as white collar workers.

Among the nine Bay Area counties, Santa Clara ranks first in manufacturing employment, second in construction and services jobs, and third in trade and government workers. The average annual income of industrial employees is the highest in Northern California and stems primarily from the educational level and degree of skills in the sophisticated electronics and computer industries.

The tabulation opposite sets forth the San Jose Labor Market growth in employment opportunities between 1970 and September 1976. During this period the number of nonagricultural wage and salary workers grew more than 33 percent. Above average rates of job growth were experienced in durable goods manufacturing, wholesale trade, financial services, and personal services. In September 1976, one-third of the total 502,700 nonfarm wage and salary workers were engaged in manufacturing. Other leading categories of employment were services (21%), wholesale and retail trade (19%), and government (15%).

There are more than 70 establishments in Metropolitan San Jose employing 500 or more persons.

## Industry

There are more than 1,600 manufacturing firms in Metropolitan San Jose, and today manufacturing is the most important industry in the county. Manufacturing activities cover a wide range of products, from agricultural implements to sophisticated electronics equipment. Although Santa Clara County is still one of the nation's major food processing centers, the agricultural sector has lessened in relative economic importance. While the trend toward greater manufacturing activity began in the early 1940's, the year 1950 marked the beginning of a major influx of large manufacturing firms and expansion which has continued to date.

Metropolitan San Jose ranked second only to Los Angeles County in total manufacturing wages and

Over half of these firms are engaged in manufacturing.

Nonmanufacturing and governmental organizations in the San Jose Metropolitan Area employing more than 1,000 persons include the City of San Jose, Santa Clara County, Stanford University, the Stanford Medical Center, Pacific Gas and Electric Co., Pacific Telephone Co., San Jose State University, San Jose Unified School District, Cupertino Elementary School District, Palo Alto Unified School District, and the U.S. Naval Air Station at Moffett Field.

## SAN JOSE LABOR MARKET

### Nonagricultural Wage and Salary Workers

| Industry                                     | 1970    | September 1976 | Percent Change |
|----------------------------------------------|---------|----------------|----------------|
| Construction .....                           | 17,600  | 19,600         | 11.3           |
| Manufacturing .....                          | 123,500 | 168,800        | 36.7           |
| Transportation, Utilities                    | 17,000  | 18,700         | 10.0           |
| Wholesale Trade .....                        | 14,900  | 20,900         | 40.2           |
| Retail Trade .....                           | 56,100  | 76,500         | 36.4           |
| Finance, Insurance, and<br>Real Estate ..... | 13,100  | 18,900         | 44.2           |
| Services .....                               | 75,500  | 103,300        | 36.8           |
| Government .....                             | 60,000  | 75,900         | 26.5           |
| Other .....                                  | 100     | 100            | —              |
| Total .....                                  | 377,800 | 502,700        | 33.1           |
| Seasonably adjusted unemployment rate ...    | n.a.    | 8.0%           | —              |

Source: State Employment Development Department.

salaries paid in the 1974 Census of Manufactures for California. Industrial payrolls exceeded those of any county in Northern California and were appreciably ahead of Orange County, the third ranking area. Manufacturing firms account for approximately 40 percent of all wages and salaries paid by employers under unemployment insurance programs in the San Jose area.

Table 6 on page 51 lists industrial firms in the San Jose Metropolitan Area with 500 or more employees. Some of the larger companies are examined in greater detail in paragraphs that follow.

The largest general category of manufacturing is the aerospace industry, comprised of three basic industries: electrical equipment, instruments, and ordnance. Aerospace has been by far the fastest



growing of all manufacturing categories. Highly developed research facilities at Stanford University, the Stanford Linear Accelerator Center, and the Ames Research Center (NASA) have contributed to this growth.

Within the aerospace category, electrical equipment and ordnance are the major employers. There are close to 300 firms in the electrical equipment field in the area, with employment ranging from one to over 5,000 employees. Some of the larger firms in this category are Fairchild Camera and Instrument Company, General Electric Company, Hewlett-Packard Company, Raytheon, Signetics, Aeronutronic, Sylvania, Teledyne, Varian Associates, Western Electric and Westinghouse Electric Company. The two major firms in the field of ordnance are Lockheed Missiles and Space Company and FMC Ordnance Group (Food Machinery and Chemical Corporation), who have combined employment of approximately 19,000 persons. The importance of the aerospace industry is illustrated in the summary below. Total employment is 93,500, or more than

59 percent of the entire manufacturing employment in the County.

**METROPOLITAN SAN JOSE**

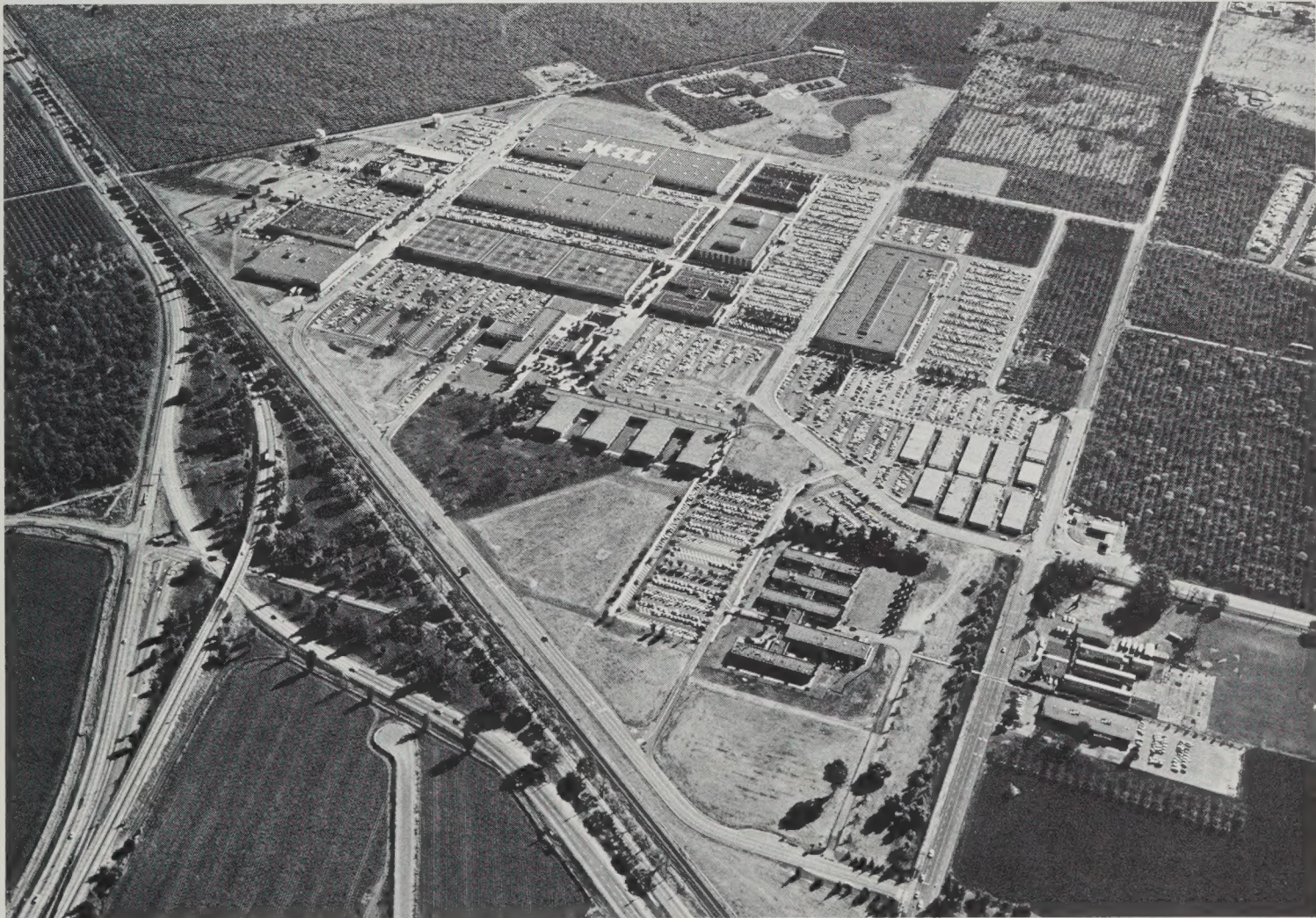
**Estimated Number of Workers in Aerospace**

|                        | 1967   | 1970   | November 1976 |
|------------------------|--------|--------|---------------|
| Electrical Equipment . | 40,000 | 46,400 | 69,500        |
| Ordnance .....         | 28,700 | 20,100 | 20,300        |
| Instruments .....      | 1,800  | 2,200  | 3,700         |
| Total .....            | 70,500 | 68,700 | 93,500        |

Source: State Employment Development Department.

Although the aerospace industry is an important segment of the local economy, it is balanced by a spectrum of other manufacturing categories. Growth in nonelectrical machinery, instruments, printing and publishing, and transportation equipment has been substantial, while food-related manufacturing has declined as a percent of total manufacturing. In the

The IBM San Jose plant.





nonelectrical machinery industry, some of the larger firms in Metropolitan San Jose are International Business Machines, FMC (Canning Machinery Division and John Bean Division), and Vidar Corporation. The larger firms in the professional, scientific, and controlling instruments category are Beckman Instruments and Spectra Electronics, Incorporated.

Some of the nationally-known firms which make up the general base of industry in Metropolitan San Jose include Ford Motor Company, Owens-Corning Fiberglas, Continental Can Corporation, Pittsburgh-Des Moines Steel, Owens-Illinois Incorporated, and San Jose Steel Company.

**LOCKHEED MISSILES AND SPACE COMPANY.** Lockheed, largest employer in Metropolitan San Jose, employs 17,000 at its Sunnyvale and Palo Alto facilities. Basically a missile and satellite manufacturing complex, the local Lockheed installation represents a diversity of research and production capability and is the most profitable of Lockheed's enterprises.

In recent years, the company's principal product developments at the local plants have been the Trident and Poseidon submarine-launched ballistic missiles. Other programs at local Lockheed facilities have been the Polaris missile, the Agena space vehicle, the eight-wheeled combat assault vehicle known as "Twister" and a Deep Submergence and Search Vehicle.

Management officials of the parent company have pointed out that this division has not been affected by the widely-publicized troubles experienced by Lockheed elsewhere.

**GENERAL ELECTRIC COMPANY** plants and laboratories in Metropolitan San Jose employ a total in excess of 5,000. Located in San Jose are production facilities of Vertical Motor Products and the Nuclear Energy Division. The Breeder Reactor Operation and Space Systems Organization facilities are at Sunnyvale, and the Time Sharing Computer Service is located in Palo Alto.

**IBM CORPORATION.** IBM operations in Metropolitan San Jose encompass a variety of activities from fundamental research through production and installation of equipment. Total employment of the corporation in this area is estimated to be approximately 8,000 persons.

Largest of the company's local facilities is the complex located at Monterey and Cottle Roads in southeastern San Jose. The 365-acre site is the scene of research, education, systems development,

testing and manufacturing. There are 17 buildings with over a million square feet of space. One of IBM's Systems Manufacturing Division facilities is also located here. Magnetic disk storage units for computers are a main product, although the plant also manufactures advanced data acquisition and control systems and instructional systems. The San Jose Laboratory of the Systems Development Division conceives and develops tomorrow's IBM systems. Activities include not only advanced development technology, components, and systems, but market analysis and product planning. The Research Laboratory carries out research in chemistry, physics, engineering, and the data processing field. The Product Testing Laboratory tests and evaluates new products before shipment to customers. These tests range from those of electrical and mechanical changes to small components, up to a complete data processing system. Also on the site is an Education Center operated by IBM's Data Processing Division. This facility is the center for educational programs attended by both IBM and customer personnel.

**HEWLETT-PACKARD CO.** Hewlett-Packard, which employs 30,000 people in seven states and six foreign countries, is the second largest industrial employer in the San Jose Metropolitan Area. Some 9,600 employees produce computers, calculators, and semiconductors at plants in San Jose, Palo Alto, Cupertino, Mountain View, and Santa Clara. Hewlett-Packard was established in Metropolitan San Jose more than 25 years ago, and maintains world headquarters at Palo Alto.

**FMC CORPORATION.** Formerly Food Machinery and Chemical Corporation, FMC was founded in 1883 and is the City's second largest manufacturing employer, with approximately 4,200 employees. The corporation's wide variety of products include machinery, chemicals, fibers, ordnance, personnel carriers, and packaging films which are supplied to almost every segment of industry, agriculture, and national defense.

Located in San Jose are some of the largest manufacturing and sales facilities for its various divisions, including Advanced Products, Central Engineering, Engineered Systems, FMC Machinery International, Ordnance, Agricultural Machinery, Food Processing Machinery, Agricultural Chemicals, Airline Equipment, Motor Coach, and Film and Packaging.

**FORD MOTOR COMPANY.** Ford's San Jose Assembly Plant in the adjacent community of Milpitas employs about 3,000 workers, with a total annual



**Table 6**

**SAN JOSE METROPOLITAN AREA**

**Industrial Firms Employing 500 or More Persons**

| Company                                       | Product or Service                  |
|-----------------------------------------------|-------------------------------------|
| <b>Over 2,000 Employees:</b>                  |                                     |
| Fairchild Camera & Instruments, Mountain View | Electronic products                 |
| Ford Motor Company, Milpitas                  | Auto, truck assembly                |
| FMC Corporation, San Jose                     | Trucks, armored cars                |
| General Electric Company, San Jose            | Nuclear power plants                |
| Hewlett-Packard Co., 5 plants                 | Measuring instruments and equipment |
| Information Storage Systems, Cupertino        | Computers                           |
| IBM, San Jose                                 | Data processing systems             |
| Lockheed Missiles & Space Co., Sunnyvale      | Missiles and space systems          |
| Memorex Corp., Santa Clara                    | Magnetic tape                       |
| NASA, Ames Research Center, Sunnyvale         | Scientific research                 |
| National Semiconductor Corp., Santa Clara     | Electronic circuits                 |
| Philco Ford Corp., Palo Alto                  | Aerospace research                  |
| Signetics Corp., Sunnyvale                    | Electronic components               |
| Stanford University, Stanford                 | University, basic research          |
| Varian Associates, Palo Alto                  | Electronic equipment                |
| Westinghouse Electric Corp., Sunnyvale        | Marine specialty products           |
| <b>1,001-2,000 Employees:</b>                 |                                     |
| American Micro-Systems, Santa Clara           | Electronic components               |
| ESL Incorporated, Sunnyvale                   | Electronic research and development |
| Intel, Santa Clara                            | Electronics                         |
| Northwest Publications, San Jose              | Newspaper                           |
| Syntex Laboratories, Inc., Palo Alto          | Pharmaceuticals                     |
| Watkins-Johnson Co., Palo Alto                | Electronic components, accessories  |
| <b>500-1,000 Employees:</b>                   |                                     |
| Advanced Memory Co., Sunnyvale                | Semiconductors                      |
| Advanced Micro-Devices, Inc., Sunnyvale       | Integrated circuits                 |
| American Bakeries, Inc., San Jose             | Bakery                              |
| Arcata Graphics, Inc., San Jose               | Printing                            |
| Barnes-Hind Pharmaceuticals, Sunnyvale        | Pharmaceuticals                     |
| Beckman Instruments Inc., Palo Alto           | Precision instruments               |
| Beech Nut Inc., San Jose                      | Gum and candy                       |
| Burke Industries Inc., San Jose               | Rubber products                     |
| California Canners & Growers, San Jose        | Canned fruits and vegetables        |
| Del Monte Corp., San Jose                     | Canned fruits and vegetables        |
| Dole Company, San Jose                        | Food processing                     |
| Electronic Design & Development, Santa Clara  | EDP software                        |
| Fairchild Systems Technology, San Jose        | Computerized test equipment         |
| Gilroy Foods, Inc., Gilroy                    | Dehydrated onions, garlic           |
| Hewlett-Packard Co., Cupertino                | Muni-computer system                |
| Hewlett-Packard Co., Santa Clara              | Laboratory instruments              |
| Information Storage Systems, Cupertino        | Electronic computer equipment       |
| Intersil Inc., Cupertino                      | Semiconductors                      |
| Itek Corporation, Sunnyvale                   | Electronic components               |
| ITT-Jennings Div., San Jose                   | Electronic components               |
| Litronix, Inc., Cupertino                     | Electronic semiconductors           |
| Owens-Corning Fiberglas Corp., Cupertino      | Fibreglass insulation               |
| Plantronics, Inc., Santa Clara                | Data & telecommunications equipment |
| Raytheon Co., Mountain View                   | Semiconductors                      |
| Siliconics, Inc., Santa Clara                 | Semiconductors                      |
| Spectra-Physics, Inc., Mountain View          | Laser instruments                   |
| Sun Garden Packing Co., San Jose              | Canned fruits                       |
| Teledyne Semiconductor, Mountain View         | Microwave equipment                 |
| Vidar Corp., Mountain View                    | Electronics                         |
| Western Electric Co., Sunnyvale               | Telephone equipment                 |

Source: San Jose Chamber of Commerce, January 1977; prepared by City of San Jose, Office of Economic Development.



payroll in excess of \$40 million. The San Jose plant produces commercial vehicles and smaller passenger vehicles of the type now popular among many car buyers.

**NASA, AMES RESEARCH CENTER.** With 1,800 employees, Ames ranks as one of the largest employers in the area. This Mountain View facility carries on vital work in space and life science research and development. A large wind tunnel is available for testing of aircraft and spacecraft configurations.

## Building and Construction

The Metropolitan San Jose Area has consistently led all Bay Area counties in new residential construction for both single family and multi-family dwelling configuration, with dollar valuation of residential construction normally accounting for about 60 percent of all building permits.

In 1976, Santa Clara County was fourth among California counties in total valuation of building permits, ranking only behind Los Angeles, Orange, and San Diego Counties. It was far ahead of all other Northern California counties in all major categories of construction.

For the five years ending in 1976, the City of San Jose reported nearly 45 percent of aggregate residential permit values, and over 30 percent of total nonresidential permit valuation in Santa Clara County. San Jose had approximately 65 percent of all permits for single family homes.

Table 7 below presents a summary of building permit valuations in the entire Metropolitan San Jose area since 1972, along with the number of new dwelling units constructed.

## Foreign Trade Zone

San Jose Foreign Trade Zone No. 18 is located in the 375-acre International Business Park, located immediately northeast of the Rincon de los Esteros redevelopment area, near the San Jose Municipal Airport. Foreign and domestic merchandise may be moved into the zone for storage, exhibition, manufacture, or other processing without payment of Federal duties or excise taxes until the goods leave the zone. There is no time limit on storage of goods and components. Construction in the zone began in 1975 with two buildings totalling 132,000 square feet. Upon completion, it is estimated the Park will provide employment up to 1,000.

**Table 7**

### **METROPOLITAN SAN JOSE**

#### **Value of Building Permits (Dollars in Thousands)**

|                                  | 1972      | 1973      | 1974      | 1975        | 1976      |
|----------------------------------|-----------|-----------|-----------|-------------|-----------|
| <b>Residential:</b>              |           |           |           |             |           |
| New units .....                  | \$275,648 | \$260,908 | \$236,569 | { \$269,906 | \$463,171 |
| Alterations and additions .....  | 12,596    | 13,505    | 19,702    |             | 34,277    |
| Subtotal .....                   | \$288,244 | \$274,413 | \$256,271 | \$269,906   | \$497,448 |
| <b>Non-residential:</b>          |           |           |           |             |           |
| New commercial .....             | \$ 64,931 | \$ 88,263 | \$ 91,372 | \$ 69,047   | \$ 63,259 |
| New industrial .....             | 51,443    | 82,970    | 82,634    | 78,271      | 86,883    |
| Alterations and additions .....  | 16,338    | 21,009    | 22,580    | { 80,892    | 30,740    |
| Other .....                      | 45,544    | 32,995    | 47,198    |             | 67,187    |
| Subtotal .....                   | \$178,256 | \$225,237 | \$243,784 | \$228,210   | \$248,069 |
| Total valuation .....            | \$466,500 | \$499,650 | \$500,055 | \$498,116   | \$745,517 |
| <b>Number of dwelling units:</b> |           |           |           |             |           |
| Single-family .....              | 9,266     | 7,405     | 5,823     | 5,699       | 9,318     |
| Multi-family .....               | 5,630     | 5,449     | 3,173     | 2,471       | 3,833     |
| Total units .....                | 14,896    | 12,854    | 8,996     | 8,170       | 13,151    |

Source: County Planning Department and City Building Departments.



## **Agriculture**

Although population growth, industrialization and urbanization have caused a decline of agricultural activities and farm employment in the county, farm production has remained surprisingly high. In 1975 (latest available data) the gross value of all crops was \$103,094,800, compared with \$65,536,350 in 1970. Nursery stock and cut flower production has increased sharply in recent years, offsetting the steady drop in production of fruits and nuts. The cultivation of vegetables has also shown considerable strength in the past two years.

## **Utilities**

The City of San Jose is served by the following utilities:

Electricity: Pacific Gas and Electric Company

Gas: Pacific Gas and Electric Company

Telephone: Pacific Telephone Company

Water: San Jose Water Works, San Jose Municipal Water Works and the Great Oaks Water Company

## **Transportation**

Two major railroads, a modern system of highways and freeways and a growing airport complex have contributed to the industrial, commercial and residential expansion of Metropolitan San Jose. This highly developed transportation network provides ready access to national and international markets.

Southern Pacific and Western Pacific provide main line rail service to the area. Both railroads serve the east shore of San Francisco Bay, while Southern Pacific also provides freight and daily commuter service north on the Peninsula to San Francisco. Within the city, there are central switching yards with ramps for piggyback loading and cranes for handling of containerized freight.

Approximately 65 interstate trucking firms and over 400 local and regional contract carriers serve Metropolitan San Jose. Motor passenger and parcel service are made available by Greyhound Bus Lines and Peerless Stages with overnight deliveries to all major cities in California. Local bus transportation is offered by Santa Clara County Transit District.

Deepwater transportation is available at the Port of Redwood City, 25 miles north. Ports at San Francisco and Oakland are well-equipped to handle all types of coastal and overseas cargo. All three

ports are conveniently accessible by freeway from San Jose.

Interstate 280, Interstate 680, US 101, and State Route 17 all intersect in downtown San Jose, providing an efficient freeway grid serving the city and surrounding area.

## **Community Facilities**

The City of San Jose has six general hospitals with a combined capacity of 2,126 beds. Stanford Medical Center in Palo Alto has 600 beds and unexcelled equipment for major surgery, including heart transplants. There are 50 convalescent hospitals and nursing homes in Metropolitan San Jose, many with 50-100 beds and two with more than 100 beds. Medical and health services are provided in San Jose by over 700 physicians and surgeons. Over 300 dentists, 70 optometrists, and 100 chiropractors practice in the community.

In 1970 the city opened a \$4 million main library facility in the downtown area. The library system operates 12 branch libraries and a bookmobile. San Jose's public library circulates nearly three million books each year.

The San Jose Center for the Performing Arts (formerly the Community Theatre) is located in the center of the city, and forms the hub of a growing cultural development program in San Jose. The modernistic structure, seating 2,700 people, is considered one of the finest theatres in the Country.

The city has two major newspapers, nine radio stations, a TV cable system, and three TV channels received direct.

One of the oldest established symphony orchestras in the nation, the San Jose Symphony, traces its roots back over a century. It has been accorded national recognition as a Metropolitan Orchestra by the American Symphony Orchestra League. Also adding to the cultural life of the city is the San Jose Museum of Art.

The Civic Auditorium, located near the Performing Arts Center, seats 3,500, and is utilized for conventions and social events.

The city has two stadiums. Municipal Stadium, occupying a 23-acre downtown site, hosts the San Jose Missions of the Pacific Coast baseball league. The San Jose Spartan Stadium seats 18,300 for San Jose State University games and is the home stadium of the Earthquakes professional soccer team.



## Education

The caliber of secondary education in San Jose reflects the community-wide interest in this subject and the large number of degree-holders living in the area. The San Jose Unified School District, which serves the greater part of the city, operates 31 elementary schools, 5 junior high schools, and 6 high schools. Enrollment has remained steady at approximately 36,000 over the past three years.

Between high school and the four-year institutions are the locally-supported and administered community colleges. Within the city limits is San Jose City College with a faculty of 350 and more than 6,000 students. In neighboring communities are De Anza College, Foothill College, Mission College (under construction) and West Valley College. All are within convenient driving distance from any part of San Jose. Total enrollment in these community colleges is over 35,000 students.

Metropolitan San Jose is the home of the oldest institution of higher education in the West, the University of Santa Clara, which traces its founding to 1851. It is also the home of the oldest public educational institution in California, San Jose State University, which opened in 1857. Another prestigious seat of learning, Stanford University, dates from 1885. Located within a 50-mile radius of San Jose

are the University of California at Berkeley, University of California at Santa Cruz, St. Mary's, the University of San Francisco, and the San Francisco and Hayward campuses of the State University and College System.

## Recreation

The city maintains 170 school playgrounds and 70 public parks, including 776-acre Alum Rock Park and the Municipal Rose Gardens. Commercial amusement centers include the Winchester Mystery House, Frontier Village, and 50 theatres. Other attractions are Marriott's Great America, the Egyptian Museum, Japanese Friendship Gardens, San Jose Municipal Baseball Park, Santa Clara County Fairgrounds, Alviso Yacht Harbor, 11 eighteen-hole golf courses, and five nine-hole golf courses.

Sailing and power boat enthusiasts make use of the many marinas and docking facilities in San Francisco Bay and the resorts along the Pacific shoreline. Those who enjoy hiking or camping find outlets in the Santa Cruz Mountains, southwest of the city. The beaches at Santa Cruz and adjacent areas are less than an hour's drive from the city. Deep-sea fishing parties are scheduled regularly the year-round from Santa Cruz and Half Moon Bay.

San Jose Municipal Airport, served by nine major airlines.





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